

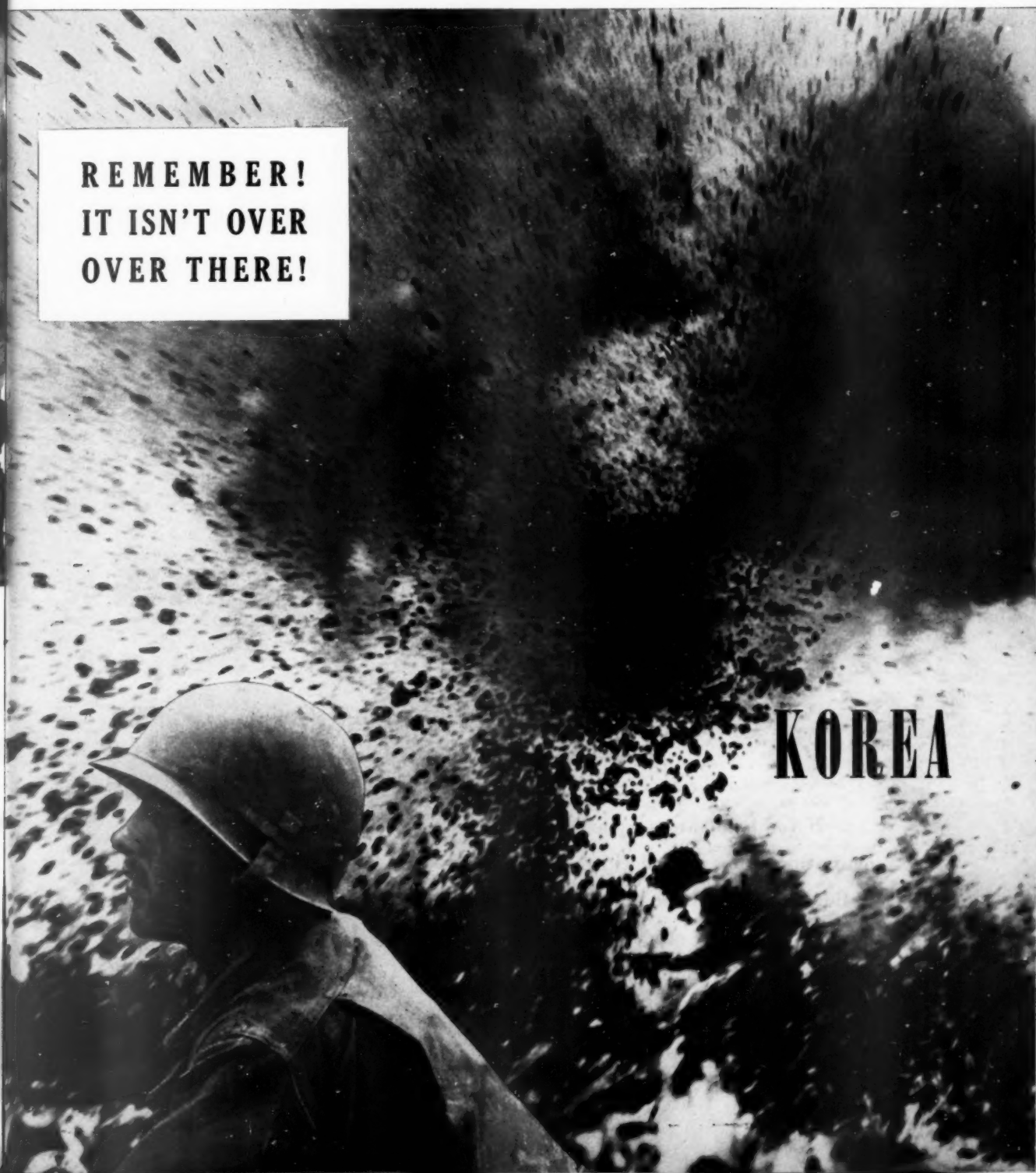
Timely Articles by William Green, Matthew Woff and Many Others

# *The American* **FEDERATIONIST**

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**FEDERATIONIST**

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# *The American* **FEDERATIONIST**

Official Monthly Magazine of the American Federation of Labor

FEBRUARY, 1952

WILLIAM GREEN, Editor

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## *Lincoln's Words*

When we were the political slaves of King George and wanted to be free, we called the maxim that "all men are created equal" a self-evident truth; but now, when we have grown fat and lost all dread of being slaves ourselves, we have become so greedy to be masters that we call the same maxim a "self-evident lie." The Fourth of July has not quite dwindled away; it is still a great day for burning firecrackers.

I remember once being much amused at seeing two partially intoxicated men engaged in a fight with their greatcoats on, which fight, after a long and rather harmless contest, ended in each having fought himself out of his own coat and into that of the other. If the two leading parties of this day are really identical with the two in the days of Jefferson and Adams, they have performed the same feat as the two drunken men.

The strongest bond of human sympathy, outside of the family relation, should be one uniting all working people of all nations, tongues and kindreds.

Inasmuch as most good things are produced by labor, it follows that all such things ought to belong to those whose labor has produced them. But it has happened in all ages of the world that some have labored and others, without labor, have enjoyed a larger proportion of the fruits. This is wrong and should not continue. To secure to each laborer the whole product of his labor, as nearly as possible, is a worthy object of any good government.

This is a world of compensations; and he who would be no slave must consent to have no slave. Those who deny freedom to others deserve it not for themselves and, under a just God, cannot long retain it.

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**LEADERS OF THE FREE**



# The Executive Council Meeting

**T**HE Executive Council of the American Federation of Labor, speaking for the working people of the nation, warned Congress a few days ago that the price control program must be strengthened and the cost of living must be kept down. Otherwise, labor will be forced to "refuse to go along" with the wage stabilization program.

The warning to Congress was issued by the Council at its quarterly meeting, held at Miami Beach, Florida. The Council lashed out at the unfairness of the "one-sided policy" which permits price inflation and at the same time keeps wages frozen.

"While the working men and women of America are willing to accept their fair share of the burden of sacrifice entailed by the defense program," the Council said, "their patience is being rapidly exhausted by government-encouraged profiteering which undermines their standard of living."

The leaders of the American Federation of Labor emphasized that every increase in the cost of living is "equivalent to a pay cut" and declared that "it is obvious by now that prices cannot be stabilized under the tragically inadequate control provisions in the present law."

Calling upon Congress to "face up to the grim realities of inflation," the Executive Council urged the adoption without delay of a "firm and comprehensive" anti-inflation program. The Council said that such a program should embrace a tightening of price controls, including rollbacks in "aggravated" cases; the plugging of tax loopholes, restraints upon credit expansion, a stepping up of industrial and agricultural production to avoid shortages and a "more attractive" savings program.

The statement of the Executive Council said:

"The Executive Council wishes to point out that wage-earners are not the only victims of rising prices. Those living on fixed incomes, government employees and retired people are hit even harder.

"Many business firms find it difficult to plan production in advance



*Barbers' William Birthright chats with Teamsters' Daniel Tobin*

when prices of materials and other costs keep soaring. Even the government is not immune. Costs of guns and planes and ammunition have risen tremendously in the past few years, and even with higher tax revenues the government again is threatened with a huge deficit.

"Congress must recognize that inflation is the nation's greatest internal enemy. It must deal with inflation as an enemy instead of coddling it."

The Executive Council, taking cognizance of the excessive demands of the military for scarce materials, urged the establishment in the Defense Department of a civilian board on military requirements and allocations which would report directly to the President.

"There have been disturbing indications," the Council pointed out, "of a tendency in programming and procurement by the military services to reach for the moon."

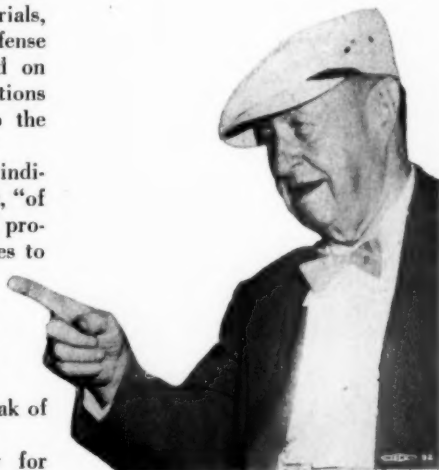
The Council said that "suspicions are inevitably aroused" by the fact that for many items the allotments to the military are at about the same level as at the peak of World War II.

The request of the military for "enough materials to construct perm-

anent housing equal to more than one-fourth of the total national housing goal for 1952" was scored by the Council as apparently "far out of line."

The leaders of the Federation declared that the situation demands the establishment of a civilian board "for proper screening of defense requirements in the light of the requirements of the entire economy."

"This board," said the Council, "should consist of civilian experts, in-



*Vice-President Harry Bates*

cluding men drawn from business and labor, who would have the job of making sure that the military requests are confined to materials actually needed to accomplish the accepted military objectives."

**T**HE actions of Secretary-Treasurer George Meany at the November meeting of the Executive Committee of the International Confederation of Free Trade Unions were commended and approved in full after the Executive Council received and considered the comprehensive report which he presented on what had taken place.

The Council endorsed Mr. Meany's vigorous defense of free trade union unity in Italy, his efforts to have the I.C.F.T.U. admit the Australian Workers Union and his stand in regard to Yugoslavia. The Council directed the International Relations Committee to prepare a memorandum which will deal with these questions and also outline "practical proposals to insure the continued growth, improvement and strengthening" of the I.C.F.T.U. Copies of this memorandum will be circulated among all I.C.F.T.U. affiliates.

"In regard to the question of contributing to the Regional Fund of the I.C.F.T.U.," said the Council's statement, "the Executive Council decides to defer action until its next meeting."

Stressing the free world's urgent need to have the peoples of the colonial and underdeveloped countries



*Vice-Presidents W. L. Hutcheson and James Petrillo in a huddle*

on our side, the Executive Council called upon the government of the United States to rally the democratic nations in support of policies that are just and that will win friends instead of enemies in Asia and Africa.

The Executive Council recommended immediate home rule for Tunisia, abolition of the 1936 treaty between Egypt and Britain, reopening of negotiations between Iran and Britain, economic aid to underdeveloped areas and expansion of the Point Four program. U.N. condemnation of Soviet Russia for its violation of the 1945 Russo-Chinese Treaty and removal from French resistance to Communist aggression in Indo-China of "every

appearance of a Nineteenth Century colonial campaign."

With regard to the situation in Indo-China, the Council said:

"The French promise of independence for Viet Nam must be concretely supplemented so as to remove the suspicions and secure the cooperation of the free nations of Asia in saving this highly strategic area from seizure by the totalitarian warlords of China and Russia."

In a sharp statement the Executive Council castigated the efforts of employers' organizations to "pressure" the Wage Stabilization Board into prejudging labor's case. The Council assailed "reactionary elements in in-

*From left, Harry O'Reilly, Vice-President William C. Doherty and Vice-President William McFetridge*



dustry" for this vicious activity. Workers ask only for fair and equitable treatment, the Council said, adding:

"We ask for no more. We will take no less."

The Executive Council called for adequate housing for defense, urged repeal of excise taxes which produce a loss of business and unemployment, decided to investigate "Moral Rearmament" and gave unqualified sup-

port to proposed federal mine safety legislation "with teeth."

The Council will meet again in May. The scene of the meeting will be Boston, where the 1952 edition of the Union Industries Show will be held.



## Enlist the Ladies

By JAMES L. McDEVITT

*Director, Labor's League for Political Education*

"ONE woman is worth ten men in getting out the vote," is the way my predecessor, Joe Keenan, expressed it. I heartily agree.

Too often there is a tendency in some of our unions not to think of women as part of our political team. This may be natural in unions made up predominantly of men, but it is one tradition that it would pay us to change.

Look at the good political results achieved by some of our unions which have a large number of women members. I don't think this is just a coincidence—not after watching the successful door-to-door campaign waged by women's committees in the last Philadelphia election. I am sure in my own mind that it was the hard-working women's committees which brought in the margin of victory there.

Just because many of the members of a local union are men, that is no reason why women can't be part of the union's political team. Every member has a wife or sister or daughter who would like to pitch in and help Labor's League for Political Education in the coming elections.

You can't bluff statistics. There are only 8,000,000 A. F. of L. members out of 95,000,000 potential voters. Even if we got every A. F. of L. member to vote, that would still not be enough votes. We definitely need more than our own votes.

When we look for other votes to help elect favorable candidates, half

the time we talk about trying to win the votes of farmers or professional people. We are very often disappointed in these attempts. Yet all the time, right in our own families, we have millions of votes that we have made very little effort to bring out on Election Day.

We should concern ourselves with the voting habits of all citizens, but, frankly, while there are still millions of untapped votes right in our own ranks and in our own families, we have no right to criticize others and we have no right to expect a better Congress. We have plenty of work cut out for us right at home.

There is nobody who understands the economic problems of the day better than the housewife who does the bulk of the purchasing for the family. It is the housewife who has to figure out what sacrifices are necessary to make the pay-check stretch. The housewife does not have to be told that Congress did her wrong when it put an escalator under prices and a lid on wages. Recent events have tended to make American women more politically conscious than at any other time in our history.

Not only as voters but as vote-getters there is nobody who can do the job like the housewife. She usually knows her neighbors much better than her husband does.

Every professional politician will tell you that neighbor-to-neighbor, word-of-mouth boosting is better than

all the publicity a candidate can buy.

How many political revolts for better schools or civic improvements were started by men? The initiative, the leadership and the work usually came from the ranks of women who were strictly amateurs at politics.

You always hear the complaint that a man can't lay off work to give his time as a volunteer worker at the polls on Election Day. What's the matter with his wife? She'll probably do a better job anyway.

We are trade unionists forced into a fight we traditionally stayed away from. We need an additional few seats in the House and Senate to have a friendly Congress. We are not going to win these additional seats by fighting with one hand behind our back. We are fighting with one hand behind our back so long as we don't make this a family fight with every member of every union family on the team.

I urge the officers of every local union to be certain to establish a Women's Division without delay if they haven't already done so.

**Join L.L.P.E.**  
*today*

# A National Health Program for a Stronger America

LET me tell you about a coal miner's wife and her baby. In a tiny mining town in the Virginia mountains, in the dead of winter, her baby took sick. There wasn't money in the house, and the mother hesitated about calling a doctor. After two or three days the seven-months-old baby took a turn for the worse. The mother called the doctor. When the doctor got on the phone, he asked whether the parents could pay for his visit. The answer was, "No, not right now. But the baby is very sick." The doctor said he wouldn't come.

The little boy looked bad. He could hardly breathe. The mother bundled up her seven-months-old son and walked out into the bitter cold with him in her arms. She walked down the icy road until a motorist gave her a lift to the hospital. The baby was treated at the hospital, but it was too late. He died of pneumonia.

The County Medical Society absolved the doctor of all blame, adding that it was "unfortunate" that the doctor had asked about money.

Let me tell you also about a truck driver in New York. He had a steady job and had been earning average truck driver's wages. Yet last December he was one of New York's "Neediest Cases."

How did this man become a "case" when he had an income adequate to support the normal needs of his family? What terrible blunder did he commit? Why must the New York Times plead with the public to donate money for this truck driver's family and other families like his that are forced to beg for help?

People like the truck driver didn't squander their money on gambling or drink it away. They didn't suddenly become shiftless or lazy.

What did happen, in many of these "cases," was *they got sick*.

Sickness often means big hospital bills, doctors' fees and time off from work. Without working, families can't earn enough to buy proper medical care, and without proper medical care, their earning power is cut back even further. This vicious circle continues until the New York Times has another "Neediest Case."

Take the truck driver, called Mr. M by the Times since no one who accepts charity likes to have his or her real name publicized. This worker, now only an initial, was doing well a short time ago. He was earning

enough to support his wife and two children. Then a third child, Tommy, came along. Tommy was born prematurely. Both mother and child needed long care and attention in a hospital.

After only ten days of hospital expenses, Mr. M's savings were gone. Doctors prescribed more treatment, continued hospital care and complete rest. But there was no money left. Mr. M's wife and new son had to leave the hospital, but she was too ill to take care of her home and children. Her attempts to do the job she felt she must do only caused further strain and led to more sickness. The once average family was beginning to fall apart. Soon it became a "case" in the New York Times. The man who drives a truck is now just an initial. He is one of New York's "Neediest Cases."

This tragedy is not unique. It is not hidden. It has been well-publicized. Even greater tragedy, though, is that this "case" *could have been prevented* and wasn't.

You don't have to go to a newspaper for cases like the truck driver or the miner's wife and her baby. These "cases" are often people just like you or your next-door neighbors. We become "cases" because we have not yet made medical care a right to which we are all entitled. Instead, needed medical care is all too often a charity for which many of us must beg or else do without.

When serious illness hits your home, perhaps you don't have to ask for "charity." You may somehow manage to eat less, move into a cheaper home or go into debt.

Sickness is the loan shark's friend. Over 30 per cent of all small loans are made to those who suddenly find themselves faced with hospital and doctor bills caused by a medical emergency. However you struggle with the problem, expensive medical costs are an economic blow all workers dread.

Medical science in America has advanced tremendously, but *four out of five* Americans cannot afford to take full advantage of those advances.

We have new drugs that are almost miraculous. These drugs are expensive and must be administered by physicians who know how and when to use them. But doctors are scarce in many parts of our country. Many of the new drugs are so expensive that the average family cannot afford them.



Statistics bring out the fact that medical science advances are not available to all of us. For instance, the national average is one doctor for every 741 persons. Yet in areas like Mississippi one doctor must take care of 1,449 persons.

For the United States as a whole, 32 infants die out of each 1,000 in their first year. But in Arizona, the infant death rate is 56 out of every 1,000 and in New Mexico the rate is 70 per 1,000. In some communities five times as many infants die as in those communities which have adequate medical care. We must correct these conditions.

Dr. John W. Cline, president of the American Medical Association, asserts:

"The health of the American people has never been better."

But how much consolation are his words to the mother whose baby son need not have died if only the cost barrier to medicine were removed? Her child died of pneumonia. If doctors and modern drugs had been available in time, her child would have lived.

What consolation are Dr. Cline's words to the families who make up this cold statistic: 500,000,000 man-days are lost each year because of sickness? These lost man-days hurt individual families. They slow down our defense production. They therefore aid communism.

There is a way to avoid the crippling costs of sickness. There is a way out. We know the answer to our health problems and it has been tested by experience. The answer is through national health insurance.

Since 1939 the American Federation of Labor has been leading the fight for a comprehensive health program which would provide insurance protection against unexpected medical bills. Insurance protection, just like insurance on your house or car. Protection for working Americans and their families, with the cost spread thinly among us so no one is overwhelmed.

National health insurance would promote preventive medicine. This just means we could afford to see a doctor at the first signs of sickness, instead of waiting until we're flat on our back.

In addition to national health insurance, organized labor is fighting for a program which would give our

nation more doctors, nurses and technicians, more hospitals and better public health services.

We know the two most important answers to our health problems are to increase health facilities and to guarantee their use by our people through national health insurance. But whenever we try to move forward, reactionary forces raise their voices and pool millions of dollars to block progress. The same drag on progress was experienced with our efforts to get social security not so many years ago. And before that we had to fight to get our public school system, which we now take so much for granted.

Organized labor was in the forefront of the battle to set up a social security system, just as we are now leading the way toward national health insurance and a comprehensive medical care program. We won the battle for social security despite cries of "it's socialism!" by its opponents.

Working men and women over 100 years ago fought vigorously to estab-

## by William Green

lish public schools. Abraham Lincoln once said, "Free labor insists on universal education." And today we say, "Free labor insists on a comprehensive national health program."

Lincoln realized that to have a strong America all of us had to work together for an educated America. But for many years before our public school system was finally inaugurated, the opposition sounded much like the voices denouncing national health insurance now and social security a few years back. There are no new arguments against progress—just the same old ones dressed up in modern language.

Listen to the old language in an argument against the public school system taken from the *Philadelphia National Gazette*, 1830:

"One of the chief excitements to industry among the working class is the hope of earning the means of educating their children respectably and liberally; that incentive would be removed, and the scheme of state and equal education be thus a premium for comparative idleness, to be taken out of the pockets of the laborious and conscientious."

Now listen to the same argument, this one on national health insurance

instead of public schools, made to Senators by a representative of the Chicago Medical Society:

"The proposed bill \* \* \* makes it possible for the government to take directly \* \* \* earnings \* \* \* of conscientious, moral workmen \* \* \* and give them to the lazy, shiftless, immoral individuals for sickness which they may have largely brought on themselves by riotous, immoral living."

That argument was made in 1946 and has been steadily repeated in every conceivable variation since then. The medical lobby and other backward-looking groups are shouting nothing new when they try to make us believe that our nation's health is not a matter of national concern.

An individual's health is a private matter between patient and doctor. But it is also the legitimate concern of *all of us*, since we must have a healthy America in order to have a strong, productive America.

The medical lobby's shouts against national health insurance are no more logical than the cries of similar die-hards who were trying to make our grandfathers believe that education was only the concern of students and teachers—if the student had enough money to buy a teacher.

Health is the concern of all of us. Working together, we can insure ourselves against the danger of unexpected bills mounting up when our children get sick, or when we have to lay off work because of some disease we never thought would hit us.

A few years ago A.M.A. leaders were fighting any form of health insurance. But we have helped educate them and now they praise "voluntary" health insurance programs. This is a step forward. At least now the medical lobby is giving lip service to the value of health insurance. From now on we must help educate them to the fact that voluntary health insurance programs are inadequate to do the whole job.

A Senate subcommittee report shows that while half our people have some form of health protection, only about 21 per cent of the people's hospital bills are covered by voluntary health insurance. And, even more important, this type of insurance pays only 12 per cent of the money spent for doctor bills.

Just 2 per (Continued on Page 27)

# Close the Tax Loopholes!

By **MATTHEW WOLL**  
Chairman, A. F. of L. Committee on Taxation

**L**AST month reference was made to the fact that workers in 1952 employed at the minimum hourly rate of 75 cents an hour are considerably worse off than workers were at the 40-cent minimum in the late Thirties, when taxes and the shrunken purchasing power of the dollar are taken into account. While it is true that the taxpayers at the \$5000 or \$10,000 income level are also affected by higher prices and higher taxes, they are usually able to make adjustments which do not mean that they or members of their families will be deprived of necessary food, clothing or shelter. The same is not true for the millions of low-income taxpayers who must curtail their consumption of necessities as mounting prices and taxes take more and more of their income.

This fact is of prime importance whether we are considering the impact of present taxes or are appraising the possibilities of still further increases in federal tax revenue. Almost 20,000,000 taxpayers with incomes of less than \$3000 will be paying approximately \$3½ billion—an average of \$177 each—in federal income tax under the 1951 tax law.

Savings among these low-income taxpayers are inconsequential. Millions of them report *negative* savings; that is, they are not able to save but have gone into debt. On the other hand, 24,000,000 taxpayers at income levels above \$3000 yearly accounted for virtually all of the estimated \$19 billion in savings during 1951. Simple arithmetic as well as tax equity would seem to argue for securing a greater proportion of present and future tax revenue from taxpayers in these income groups—particularly from those in the groups earning above \$5000.

Federal tax policy as determined by Congress since the end of World War II has combined with state and local tax policies to throw an increasingly heavy proportion of the tax burden on taxpayers in the low-income groups. In the personal income tax field this can be realized best by contrasting taxes paid in 1952 with those paid under the 1944 act, which established the high point for taxation during World War II.

Under the 1951 act a single taxpayer at the \$3000 income level with one dependent will pay the same amount of tax that the head of a household with one dependent or a married couple filing a joint return would pay. At \$5000 and at income levels above \$5000, the single person now pays considerably more in personal income tax than the head of the household or the married couple who, in most cases under the 1944 act, would have enjoyed no tax advantage.

The table below shows the amount of this tax advantage accruing to heads of household and married couples at income levels above \$5000.

The amounts paid by single taxpayers in 1952 are almost as much as those paid by them at all levels of income under the 1944 act. Those with incomes of from \$15,000 to \$50,000 pay more than they did under the wartime act. Married couples with or without children actually pay 28 per cent less at the \$25,000 level than they did under the World War II act. It is apparent that at the \$100,000 income level a married couple will pay \$12,248 less in taxes than a single person with one dependent. All single persons and most married couples who do not have an income of \$5000 a year can thank the Eighty-second Congress for preserving the split in-

Selected Net Income Levels*	Amount of Tax		
	Head of household with 1 dependent	Single individual with 1 exemption	Married couple filing a joint return
\$1500 .....	\$66.60	\$66.60	\$66.60
\$2000 .....	177.60	177.60	177.60
\$3000 .....	399.60	399.60	399.60
\$5000 .....	865.20	886.80	843.60
\$8000 .....	1,684.00	1,788.00	1,576.80
\$10,000 .....	2,304.00	2,500.00	2,104.00
\$15,000 .....	4,150.00	4,660.00	3,644.00
\$20,000 .....	6,436.00	7,408.00	5,456.00
\$25,000 .....	9,024.00	10,544.00	7,508.00
\$50,000 .....	24,960.00	28,016.00	21,880.00
\$100,000 .....	63,040.00	69,160.00	56,932.00
\$500,000 .....	424,408.00	435,612.00	412,328.00
\$1,000,000 .....	**880,000.00	**880,000.00	872,328.00

\* Income after deductions but before exemptions.  
\*\* Maximum effective rate limitation of 88 per cent.

come provision, thereby giving married couples above the \$5000 income level a substantial tax saving.

This tax saving resulting from the income-splitting provision was approved by Congress in 1948. Since this provision operates to cause the loss of \$2.5 billion in revenue yearly at present rates, representing a saving of a like amount to taxpayers in the income groups above \$5000, it is clear how Congress has done violence to the "equality of sacrifice" principle enunciated by President Truman in 1950.

The income-splitting provision represents one of the greatest inequities in the present revenue law; it might be termed a major tax loophole. However, it is by no means the only one. Special depletion allowances, tax-exempt securities, tax-exempt foundations, an ineffective estate and gift tax structure, an inadequate capital gains tax and exemptions and allowances available to certain classes of taxpayers are loopholes through which the government continues to lose hundreds of millions of dollars of revenue every year.

In ordinary times failure of Congress to close up these loopholes would constitute serious negligence. At the present time, when millions of our less fortunately situated people are paying taxes at the expense of basic living standards and the federal government faces growing deficits, the obligation on Congress to close these loopholes is most apparent and pressing.

UNDER special depletion allowance provisions, owners of oil and mineral properties are allowed to deduct more than the original cost of properties. Percentage depletion continues for the life of the property and frequently results in tax-free recovery of many times the cost of such property. Furthermore, the benefits from percentage depletion are increased under provisions in the law which permit costs of developing oil or mineral property as an expense in the year they are incurred. In ordinary business, such additions are treated as capital costs to be allowed for over a period of years through depreciation allowances. Revenue loss through the operation of the special depletion allowance provision is estimated at more than \$750 million annually.

In 1949 only 2 per cent of the federal internal revenue came from estate and gift taxes, as contrasted to 7 per cent in 1939. Both President Truman and the Treasury have recommended several times that a substantial portion of additional revenue be obtained by revising and strengthening estate and gift taxes. The weakness of the present estate and gift tax laws grows out of favorable treatment of property placed in trust for several generations, possibility of escaping higher estate tax rates by making gifts subject to lower tax rates, the large exemptions and an ineffective rate schedule.

The estate tax is avoided by creating trusts to endure not only for the lives of children but for the lives of descendants for several generations. Differing gift and estate tax rates permit an individual with \$10 million to give away \$2 million of this during his life instead of at death and thereby reduce his taxes by about \$1 million.

Secretary Snyder in 1948 showed how it would be possible for a man to transfer an estate of \$300,000 to his family during a five-year period under the estate and gift tax laws free of any tax. At the same time Mr.

Snyder pointed out that the \$120,000 exemption of a man leaving half of his estate to his widow under the 1948 amendments was too high and that rates were too low. Mr. Snyder referred to the beginning estate tax rate of 3 per cent and the 2¼ per cent gift tax rate in this connection. The Secretary recommended the adoption of a rate schedule that would start at 10 per cent and reach the top rate of 77 per cent at \$3,000,000 instead of at \$10,000,000.

It is our considered opinion that hundreds of millions of dollars in additional revenue could be secured with absolutely no hardship on the dead and a minimum of real inconvenience to the living by a thoroughgoing revision of the estate and gift taxes.

In addition to these major tax loopholes, there are numerous small loopholes which in the aggregate result in the loss of additional millions. Congress not only failed to close up large and small loopholes but actually created a number of new loopholes which will result in loss of more revenue as time passes.

Senator Humphrey in his statement on H.R. 4473, the Revenue Act of 1951, enumerated at length the loopholes Congress had failed to close and referred in detail to the many new loopholes which were later approved by Congress. The Senator referred to the major loopholes we have cited and urged that Congress take action to recapture the billions of dollars in revenue that are being lost annually. In addition, he pointed out that failure of Congress to make provision for withholding of dividends and corporation bond interest would result in the continued loss of \$300 million annually in revenue.

On the proposal to legalize family partnerships, Senator Humphrey made this pertinent comment:

"There was a time when the Congress was making a studious effort to close loopholes—to make people pay taxes on their real income at the rates the Congress purported to fix.

"An alarming tendency is developing to open loopholes for the future principally by letting people split incomes and enlarging and extending the privilege of paying capital gain rates on half of the income a person gets from certain kinds of transactions. It is bad enough to create a loophole by act of Congress. This partnership provision reaches a new high—or low. It opens a loophole—of dubious merit—for the future, retroactively extending that loophole back thirteen years into the past.

"I recommend that the Senate delete the family partnership provision. The Treasury estimates that it will cost \$100 million annually in the future and \$200 million for past refunds. We cannot afford to give tax handouts like these. I strenuously urge that the Senate refuse to enact a bill for the private and unwarranted relief of unnamed and unnumbered individuals who formed family partnerships in the past thirteen years for tax avoidance purposes."

In his comments on the provisions governing capital gains, percentage depletion and special exemptions, the Senator also most effectively summarized public interest and alarm at the loopholes which were later sanctioned by Congress when he declared:

"The provisions which are objectionable can be spotted easily in the bill even by the layman. Where a section refers to capital gains, percentage depletion or exemptions, the likelihood (Continued on Page 29)

# ORGANIZE!

By HARRY E. O'REILLY

*Director of Organization,  
American Federation of Labor*

**T**HERE is no activity of organized labor which is more fundamental or more important than *organizing*. At the very heart of our labor movement is the vital work of organization—of selling unorganized workers on the value to them of becoming trade unionists.

When Samuel Gompers, Peter McGuire and the other pioneers of our movement were starting to build the American Federation of Labor some seventy years ago, there was no doubt in their minds that the work of organizing was the foundation of economic progress through the medium of trade unions. Those old-timers were certain that organizational activity must always be given first place in the labor movement.

What was true in 1881 is still true in 1952. There is no substitute for organizing work and nothing can be given priority over organizing work. Labor's strength comes from organizing and from no other source. We must always remember this basic fact.

Labor today has many interests and many responsibilities. Working people in 1952 are well aware of the fact, as was Gompers, that it is necessary to be a good citizen in order to be a good trade unionist—and many of today's activities of labor stem from the desire to practice good citizenship for the benefit of all our people. These activities are constructive and wholly commendable.

It is imperative that no trade unionist should ever lose sight of the fact that the basis for the effectiveness of labor is always organization. Where organization has been accomplished, there and there alone can working people expect to move toward their goals. On the other hand, where there is no organization or only partial organization, we who toil for a living do not make progress. It takes strength to achieve progress. Without



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genuine organization—tightly knit organization—there is no strength and there is consequently no progress.

The big job of organizing the unorganized wage-earners of our nation must not be neglected. We must press this job to completion. In 1952 there are many millions of working people in a great variety of occupations who are barely able to make ends meet because their wages are so low—and their wages are low because these workers are not part of the great family of organized labor.

It is just as true today as it ever was in the past that the non-union workers' low wages and poor conditions are a hindrance to the people who are organized. The substandard wages and conditions of the unorganized are a heavy drag on the organized workers.

So let us all roll up our sleeves and go out to organize these wage-earners who need the benefits of trade union protection as much as the workers who are already organized. Vast numbers of working people who are now un-

organized can be brought into the American Federation of Labor during this year if each one of us will act as a volunteer salesman for trade unionism. It is in our own best interests, as wage-earners, to do this.

Naturally, the organizers on the staff of the American Federation of Labor and the organizers who represent our national and international unions have the prime responsibility in this all-important field of activity. Organizing is their job. And they are working at it.

But every local union officer and every local union member can and should cooperate. Talk up trade unionism wherever you go. Be proud of the fact that you are a trade unionist. Think what it means. The fact that you are a member of organized labor means that you are a *man*, not a slave. It means that you have some say, through your union, as to your wages and your working conditions.

As a trade unionist, you don't have to take whatever the employer automatically decrees. Your union is your guarantee of freedom. So don't be bashful about talking up unionism wherever you go. Explain what the American Federation of Labor's philosophy and policies are. Tell your friends and neighbors about the key role of the American Federation of Labor in bringing about the innumerable economic advances of the working people of our country over the past seventy years.

The spoken word has far greater effects than many of us realize. It creates a favorable or an unfavorable climate of opinion. It puts people in a mood to say yes—if the spoken word to which they have been listening has painted the kind of picture they like. Thus, it is clear that the responsibility of each one of our 8,000,000 members, in helping to increase our membership during 1952, is a very great one.



*Organizing is the foundation of trade unionism.* It is a job which must be carried on all the time—day after day, week after week. It is a job which must not ever be considered as finished.

Even when a union has been well organized, solidly organized, it must be remembered that considerable employee turnover is a normal condition in this country. Ours is a mobile population. Americans move around, taking advantage of one of the important freedoms which we cherish. We don't have to secure government permission to move, as do the working people in dictator-ruled countries.

As a result of this turnover, it is clear that labor always has the job of organizing those who come in to fill the vacancies and who have not previously been members of the union. This is obvious—and yet, strangely enough, this point is often overlooked by many of us.

Another very important phase of organizational work is also often overlooked. This is the job of making

sure that those who are already members of unions become *thorough trade unionists*. There is a world of difference between the wage-earner who pays his dues but lacks interest in trade unionism and the wage-earner who not merely belongs to a union but takes a keen interest in it, who understands and believes in the principles and the policies of the labor movement, and who is ready at the drop of a hat to stand up and fight for his trade union convictions.

The latter type of union member is a real trade unionist, whereas the former is merely going along for the ride.

There are too many members nowadays who are in the free rider classification. Sometimes it is their own fault and sometimes it is the fault of those who were instrumental in bringing them into the union. Let us be candid and admit that in many cases there has been a lack of organizing even among workers who are, nominally, organized. It takes a great deal more than regular payment of his

dues for a man to be a real trade unionist. So here is another big organizing job which needs to be given attention—the job of organizing, in the fullest sense of the term, those of our fellow members who are not aware of what trade unionism is all about.

American labor's organizing work is far from finished. True, much has been accomplished in the organizational field over the years. It would not be accurate or fair to minimize these accomplishments. In spite of tough opposition taking many forms, the American Federation of Labor has organized millions of working people and thereby contributed greatly to their well-being and happiness.

But we must not make any mistake about this No. 1 job of our movement—the job of organizing. While we have done a goodly part of it, a tremendous amount of organizing work, *in all its phases*, lies before us.

The time to get on with this big job, which is so important, is not tomorrow, not next year, but *right now*.

## *The Professors Worry Too Much*

By PETER HENLE

*Assistant Economist, A. F. of L.*

*If workers, low-paid, seek to better their lot  
By grabbing some dough from the rich,  
It makes jobs for more workers  
Or else it does not—  
I cannot be positive which.*

**T**HIS little verse by a learned economist expresses the frustrating futility of much of the discussion when economists meet to talk about the labor movement. This particular ditty was written by Professor John M. Clark of Columbia University in May, 1950, when he and seven other economists met for a two-day session to "evaluate the labor union movement."

The papers submitted by these economists for this meeting and the resulting discussion have recently been assembled in book form and published under the title "The Impact of the Labor Union."<sup>\*</sup>

It is important to note that the eight contributors to this volume consider themselves "economic theorists." They have not had any practical experience with unions as arbitrators, mediators or government labor officials.

In this book these eight economists take turns worrying about organized labor. They worry because unions

are too strong, because unions often favor industry-wide bargaining, because unions continually press for higher wages and because unions are concerned with job security for their members.

The remedies suggested for these ills include "a mild stiffening of the Taft-Hartley Act," placing unions under the Sherman Anti-Trust Law, "prohibition of violence and coercion, especially of picketing, and protection of those willing to work."

It would be somewhat unfair to classify all the participants in this discussion in the same category. In particular, Professors Clark and Boulding have some kind words to say about unions, and Professor Friedman thinks that his colleagues have exaggerated the unions' power and influence.

Most of them, however, taking a dim view of union activity, are quite worried that union behavior will adversely affect our economic system. Here are two samples of their worries:

First, Professor Haberler of Harvard. He feels that unions (1) are extremely powerful, (2) can force employers to give in to every demand, (3) insist on wage increases of at least 10 per cent each year and (4) by raising wages this way, will cause "either a rise in prices or unemployment."

But are the unions this powerful? Are the employers so weak that the unions can automatically gain all their contract demands? (*Continued on Page 31*)

<sup>\*</sup> "The Impact of the Labor Union," edited by David McCord Wright; with contributions by John Maurice Clark, Gottfried Haberler, Frank H. Knight, Kenneth E. Boulding, Edward H. Chamberlin, Milton Friedman, David McCord Wright, Paul A. Samuelson. Harcourt, Brace: New York. 405 pages. \$4.

# The Plight of the Aged

By **BORIS SHISHKIN**

*Economist, American Federation of Labor*

**A**RE you complaining that the wages you earn will not stretch far enough to keep up with the rising cost of living? Most likely you are. That is the fix in which most wage-earners find themselves today.

When you do complain, remember that you are in a fix *despite* the fact that your wages have been going up. Your trouble has been that prices have been going up faster than your wages.

Think of the fix of the people whose incomes stand still. Inflation puts you in a squeeze. It is *crushing* to those whose incomes are fixed. People whose livelihood depends on pensions and annuities suffer most from inflation.

Take the case of an elderly couple, over 65, living alone. Let's call them Mr. and Mrs. Jones. They live in a small two-room apartment in Portland, Oregon. How much do they need to live on?

After a careful survey, a modest budget was worked out in thirty-four large cities to determine how much elderly people need to be able to live. The U.S. Bureau of Labor Statistics, which developed this budget for each city, figured it closely to the need.

In a very real sense, it is a modest budget. It represents no more than a level of living making it possible for an elderly couple to obtain goods and services necessary to maintain health. It enables them to get about and take care of themselves. It allows for normal participation in community life.

Mr. and Mrs. Jones'

case is typical. Mr. Jones is retired. Their modest two-room apartment is adequate, but barely adequate. Mrs. Jones does the cooking. Between the two of them they keep their little place neat. They don't own an automobile. They are living thriftily and making every dollar count.

In June, 1947, the Joneses needed, for modest living, a budget of \$1558 a year.

But the cost of living went up. By October, 1950, this elderly couple required a budget of \$1866 a year to maintain the same standard of living. They needed an income almost 20 per cent higher. This was not possible because their income was always the same.

To the Joneses inflation is a deadly threat. They have been living on a total fixed income of \$125 a month. In 1947 their monthly budget called

for \$129.83. They cut a few corners. Skimped a little. But they made out.

As time went on, the signs of inflation became more and more ominous. By October, 1950, the rent for their little apartment went up from \$38.90 a month to \$52.50. Rent has a way of doing that when there is no rent control. Yet rent is one thing you can't skimp on. It must be paid.

By October, 1950, all the expenses which the Joneses had to meet had risen to \$155.50 a month. So they were \$30.50 short of making ends meet on their \$125 fixed budget. When you get to this point, you no longer just cut corners. You begin to cut, and cut deeply, into vital necessities.

And when will this elderly couple reach a point when they won't have to cut any more? The budget figures through October, 1950, are actual.



The consumers' price index for Portland, Oregon, enables us to estimate that by the end of 1951 the Joneses needed \$166 a month in order to live.

If their income was still the same—only \$125 a month—that meant a monthly deficit of \$41 a month. Even if they received a small increase in their old-age pension, which made up only about half of their income, the rising cost of living more than outran it.

Could they manage? We don't know. We have lost track of Mr. and Mrs. Jones. They are no longer in their little apartment. All we know is that one day the strain of rising prices reached a breaking point. All we know is that one day their modest little world was shattered and they went somewhere else.

We can only guess that they are now huddling somewhere in the slums. They have probably lost that vitalizing feeling of self-reliance and self-respect. It is probably harder for them to keep their health and strength. Inflation has denied them a quiet and happy ending to their hard-working lives.

Cost of living is relatively high in Portland. Yet it is not as high there as it is in Milwaukee or Boston. And it is about the same as in Washington, Los Angeles and Houston. The story of Mr. and Mrs. Jones has been repeated thousands of times in all these cities.

Bear in mind, however, that Mr. and Mrs. Jones were comparatively well off. The plight of many other elderly couples in our midst is far worse.

Out of a total of over 13,000,000 people over 65 years of age, only three and one-third million are drawing benefits under the federal old-age and survivors' insurance program. The average monthly benefit for a single retired worker at the end of 1951 was \$42. For an elderly husband and wife it was \$65.

Remember that the monthly income of Mr. and Mrs. Jones was \$125. They and other elderly couples receiving a similar income would be getting \$60 a month from sources other than old-age insurance. One-third of all married couples covered by the system had their old-age insurance benefits as the *sole* source of their income. In the case of single men, 45 per cent had no income other than their old-age benefits.

Older people receiving supplementary income in addition to their benefits did not receive very much of a supplement. Four out of five aged married couples had, beside their benefits, less than \$50 a month in supplementary retirement income. Most of those receiving old-age benefits had little or no assets that they could draw on to provide additional income in an emergency. Such assets as they had, if used up at the rate of \$25 a month, would not last the rest of their lives in the majority of cases.

Employed workers who have been squeezed hard by the rising cost of living wonder how retired old people without outside support can possibly survive in these times on as small an income as they get.

The fact is that many of them cannot make ends meet and must, in addition, receive public assistance.

If our old-age insurance system is to work effectively, it should replace public assistance, which under federal-state programs makes up deficiencies in the income of the aged. Beginning in February, 1951, the number of aged persons on old-age insurance exceeded the number receiving assistance for the first time.

If the gains made in 1950 in improving and strengthening the old-age and survivors' insurance system are to be retained, an immediate in-

crease in the insurance benefits is imperative. Last June this old-age assistance averaged \$43.23 a month. When you include payments to aged wives, widows and parents, the average insurance payments to aged persons was less than \$38 per month.

It is a matter of justice and equity that insurance benefits be set at a higher level. Only by doing so will we in America keep the faith with the older people to whom we have given a promise of social security.

Substantial improvements were made in the federal system of old-age and survivors' insurance in 1950. They were made eleven years after the previous basic change which included survivors' benefits. We cannot wait another eleven years before making further necessary improvements in the program.

A moderate raise in the monthly benefit amount and other improvements in the benefit formula can be accomplished within the present system without increasing tax contributions. The case for action to improve the benefits is established beyond dispute.

In the name of fairness to those who have worked before us to make America a better place to live, let everyone call upon Congress to act now to improve the old-age and survivors' insurance standards.

## Workers' Education

By MARK STARR

**W**ORKERS' education helps the worker—despite the pressures of making a living and the many claims upon his leisure—to take himself in hand and achieve freedom from the hucksters' hypnotism and meretricious values.

Workers' education helps the worker to become the alert, vigilant union member who resolves never to let democracy die by default in his own organization.

Importantly, workers' education is usually conducted in groups, composed of individuals sharing the same problems. The advantages of the group approach are obvious to all who have enjoyed the stimulation of group discussion by adults of wide and diversified experience and under competent guidance.

However, group study of group problems in workers' education fails unless it results in group action for their attempted solu-

tion. Working people cannot be content with the right to ask questions. The acquisition of knowledge by itself is an incomplete procedure. To avoid sterility, knowledge must serve as a guide and a spur to action.

Workers' education is a necessary discipline. In this age such a discipline is vitally necessary. While the Harvard report may not have evoked approval in every particular, its references to the ever-increasing and unprecedented debilitation of the public mind by radio, movies, newspapers and crime comics compel general agreement.

Workers' education has an important role in our endeavor to defend, build and enrich our democracy. The worker thinking can introduce integrity into our society.

Workers' education must ask probing questions if it is to blaze the way to more democratic and just ways of living.



MR. STARR

# IT'S A MARATHON

By GEORGE T. BROWN

**S**EVERAL weeks ago the Council of Economic Advisers discharged its legal obligation of submitting to the President its annual economic review. On the basis of this information, the President placed before Congress his own report on economic conditions and his recommendations for legislation.

This annual review of the three-man Council is of particular interest to the people of America because it covers the first full year of controls under the new defense program. As individuals, we know how the program has affected us; but we cannot see the program as a whole. The annual review of the Council of Economic Advisers supplies us with this much-needed perspective.

One of the fundamental facts of the defense program revolves around how much of the nation's output each year will be allocated to the program.

One year ago some 8 per cent of the gross national product was expended on rearmament. Currently about 14 per cent is being so consumed. Under present plans approximately 20 per cent of the national product will be the maximum annual demand of the security program.

These figures contrast markedly with our military demands during World War II when at the peak some 45 per cent of the national output was so earmarked.

This difference in the rate of building up our military defenses spotlights a distinction between an all-out war and the "neither war nor peace" condition which now exists. The Council of Economic Advisers illustrates this difference by citing the difference between a sprinter and a marathon runner.

An all-out war may be likened to a sprint. In a sprint the runner must use his entire concentration of speed and strength to reach the tape of victory first.

Our present condition, however, may be likened to a marathon race. In such a race the runner carefully husbands his stamina, strength and

speed over the long miles of the course which presents many changes and various demands.

Today the international situation has the characteristics which require planning actions of a marathon-type rather than of a sprint. Consequently, our national security program differs from an all-out war effort in several significant respects.

Consider the current efforts to increase the national output. Our gross national product today may be roughly divided between goods available

covery of new production techniques, experimentation in new weapons and accumulation of scarce raw materials. Pipelines for military material are being constructed, but the pipelines are not being filled to capacity with tanks, guns, planes and other equipment which might very well be outmoded by the time they are needed. This is the strategy for the "neither peace nor war" condition which we now face.

This strategy places a less severe drain on the civilian standard of living and on our supplies of materials. Thus, during 1951 there was an abundance of consumer goods. Some 1,100,000 new houses were built. Slightly more than 5,000,000 new automobiles were assembled. Roughly 12,500,000 new radios and 5,000,000 television sets were produced. Food consumption was above the 1947-1950 average. Clothing supplies exceeded effective demand. These are not the characteristics of a nation engaged in an all-out war.

Up to this point, the peculiarities of our national situation have been illustrated in terms of the strategy of production. Now attention must be directed to the effects of this unique situation upon the men and women of America.

In time of actual large-scale war, patriotism needs little or no stimulation. Such a war may be likened to a sprint, and natural drives are sufficient to bring the burst of energy needed to win. But in the twilight zone of our current situation the fundamental drive of patriotism is more latent than active.

Just as the marathon runner must develop an active reserve of strength and stamina, so we must learn to build up our reserves of patriotism and of the will to win which our military "marathon" may demand.

One test of our will to win in this twilight period is the operation of our fight against inflation on the home front. For most Americans this is "the war." Their treatment under this program will affect their at-



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for consumption by civilians and goods produced for military purposes. At the present time some 86 per cent of our product is available for civilian purposes and only 14 per cent is not.

Should an all-out war come into being then the division would be quickly altered. Until that time, however, the needs of the defense program will be met with this smaller part of the national product or slightly more.

That part of the national product now allocated to the defense effort is being expended primarily for creating the means of military production rather than military products themselves. In a sense, America is investing in the "capital" of warfare—advancement of scientific research, dis-



itudes toward the entire national defense effort.

Let us consider the price control aspect of the anti-inflation fight.

When the Defense Production Act was originally passed, Congress exempted some groups entirely from price controls and placed other groups under only partial controls. This favorable treatment for the privileged few had an inevitable effect upon the cost of living for the underprivileged many.

Concretely, only slightly more than one-half of the items included in the consumers' price index of the U.S. Department of Labor are completely under the control of the O.P.S. Some 17 per cent of the items are completely exempt from price controls by law. In the case of rents, representing another 11 per cent, only partial controls exist. In short, these gaps in the line offer real opportunities for immediate "hold-the-line" activities which will assure genuine price control.

The morale of wage-earners is not boosted when they learn that while the prices of the products on which they work are not subject to control, their wages most definitely are. This situation is not one which leads wage-earners to believe that controls are being applied with even-handed justice.

That sector of the anti-inflation fight pertaining to the control of credit is particularly interesting. For example, while reliance upon voluntary controls to defeat inflation was generally discarded after the Korean upsurge of prices occurred, voluntary controls still exist in the control of credit.

At the present time there is a "Voluntary Credit Restraint Program" in operation. Perhaps it is this voluntary approach to credit control which resulted in the rise of the basic interest rates and the following comment by one member of the Council of Economic Advisers:

"An increase of one-third in the basic commercial interest rate of larger banks, leading to general increases in other bank interest rates, was hailed as a valuable contribution to economic stability. All other businessmen are criticized when they exploit a situation by raising their prices by a much smaller percentage."

Perhaps, too, this altruistic approach to credit controls indicates

why the earnings of banks have increased more than enough to match their increased tax load for 1951. Nearly every other business and industry found net profits reduced as a consequence of government policies under the defense program.

In short, it would seem apparent that if America is to "hold the line" against the dreaded consequences of inflation, then our present credit control program requires a thorough-going examination. This conclusion is fortified by the fact that credit controls have so long been hailed as an effective agency for fighting the "causes" of inflation rather than the "results" of inflation. Certainly there is absent in banking circles the crusading enthusiasm so clearly on display when the subject of wage controls is under consideration.

Another vital sector of the anti-inflation program reviewed by the Council of Economic Advisers is the taxing program—another "pet" of those who believe that indirect controls alone can stem the tide of inflation.

Actually, however, the Council finds that there is decided room for improvement in our current taxing policy as a means of preventing inflation. Specifically, the Council states:

"Considering all factors involved, the Council recommends that the immediate tax legislation be the completion of the program proposed by the President a year ago, including such technical changes as would improve the equitableness and yield of the Federal Reserve System."

Since there is so much current discussion as to whether or not our economic system can stand up under either the present tax load or an increase in taxes, the following viewpoint of the Council is noteworthy:

"The Council recognizes that tax rates have risen rapidly during a short period of time and are so high that their effect on incentives must be carefully watched. Nevertheless, we do not believe that the economic limit of taxation has been reached."

The Economic Advisers also assert that no consideration should be given at this time to a national sales tax program. The demands of the national security program at the present time and for the immediate future can be met by rate increases in existing tax sources and improvements in

the present tax structure. Sales taxes are simply shifting taxes in an inequitable manner.

This approval of the present tax methods is particularly important in view of the effort now being made to amend the Constitution so as to place a ceiling of 25 per cent on income taxes paid by millionaires.

The wage control program has moved steadily ahead. Of the four basic policies inherent in any such program, three have been established and put into operation. Specifically, the policy relating wages to the cost of living, the policy designed to eliminate wage inequities and the policy applicable to manpower or rare and unusual cases have been completed. The sole major policy uncompleted is that pertaining to substandard wages. The Economic Advisers view with approval the very substantial progress made in the wage control area.

Under the existing wage control policies, however, general wage increases are limited to changes in the cost of living. This severe limitation is similar in many respects to the wartime wage control program. Since wartime regulation of wages is not now required—due to the larger percentage of the total gross product available to civilians—the Wage Stabilization Board has under consideration a proposal of its A. F. of L. members to allow increases in wages to reflect increases in efficient production.

It is interesting to note that the Council of Economic Advisers regards productivity increases favorably. Specifically, the Council states:

"\* \* \* Yet entirely to deny productivity increases to wage-earners would involve the greater difficulty of a growing disparity between wages and other forms of income, which are likely in the long run to reflect the productivity and production trends of the economy as a whole—and in the long run to move generally upward in a defense period. In addition, the flat denial of productivity increases would remove an important or potentially valuable incentive."

On the basis of this reasoning the Council concludes that productivity should be included within the framework of a well-rounded wage stabilization program.

In the light of the observations made con- (Continued on Page 31)

# EDITORIALS *by William Green*

## ***Protect Free Institutions***

**T**HE RESPONSIBILITIES of the Defense Administration necessarily include some degree of national economic planning and cooperation in effective monetary and fiscal controls to check inflation in addition to those prescribed by legislation, such as price and wage stabilization and allocation of scarce and essential defense materials.

Percentage of normal supply allocated determines the ratio of operation and product. As the defense agencies become increasingly efficient through the accumulation of adequate data and experience, bureaucratic regulation takes deeper root. While fields are still left for determination by normal economic government, even these are restricted by government decisions which take precedence over the judgment of those who possess that authority which is born of experience and creative experimentation.

While we hope political controls are for only a limited period, there is no evidence anywhere of decreased need of equipment and force to conserve the rights of free people. On the contrary, there is every assurance that the objective of Moscow will continue to be aggression for world dominion. Our only prudent policy, then, is to take special care to maintain at home our free institutions.

Individuals' rights guaranteed by our federal Constitution are the distinctive characteristics of our system of government. These rights assure freedom in living and in deciding matters which determine our lives. They have enabled us to build up our system of free enterprise, including free management and free trade unions.

Free trade unionists select representatives to negotiate contracts with employers stipulating terms and conditions of work and pay. In addition, these contracts between unions and employers set up machinery to deal with disputes and misunderstandings. Union organization and this procedure have made the American Federation of Labor the most important organization of free workers in the world, with the highest standards. Our free unions are the companion agency to the most productive and dynamic economy in the world.

To protect our free institutions is our purpose in resisting Soviet aggression. It would be sad indeed if we failed to safeguard ourselves against dangers from within while preparing against attack from without.

Our most practical program to conserve these free institutions is to continue to practice self-dependence and initiative in planning further progress. Workers can make their contribution by conducting collective bargaining as usual to maintain normal progress and seeking approval by the Wage Stabilization Board. We do not have to surrender in advance to Wage Stabilization equalization formulas. By striving for higher standards we can retain virility and the will for progress.

Our unions should be reminded continuously of the

heritage of freedom which is ours and of labor's responsibility in safeguarding these rights. Insist upon return to normal freedom when scarcities have been overcome. Open accounting by the Defense Administration on estimated supplies, military requirements and requirements to sustain industries and foreign shipments to allies and to others will enable all to know when controls can be lifted. We should arrange in advance for an objective decision on the cutoff date.

## ***Allocation of Materials***

**T**HE PROBLEMS of administering defense without the morale which is stimulated by openly declared war are a major test of balanced judgment and personal discipline of administrators and citizens. Defense production will constitute about 14 per cent of national production, but because it utilizes a large proportion of scarce basic metals, civilian production must make adjustments much wider in scope.

The Defense Administration has the responsibility of balancing the requirements of the military against needs of civilians and allocating metals to best serve national interests and welfare without undue hardship to companies in operation. Each quarter, on the basis of requirements of military and other governmental claimant agencies, D.P.A. allots to them specific amounts of controlled metals. The remainder is apportioned among civilian industries on a basis of amounts used in a normal base period and relative indispensability.

There is general agreement that the military should have what they need—but not necessarily as much as they request. Military practice takes into consideration security as well as actual need. Screening for all claimant agencies, including the military, should be thorough. The Defense Administration must decide as between the essential requirements for security and the maintenance of our economy. After the needs of defense production are blocked off, the American Federation of Labor believes the rest should be equitably distributed for civilian production. Equitable distribution, as indicated by technical data, is the only basis for equal sacrifice—a principle essential for national morale in a difficult period.

In allocating controlled materials for civilian production, the Defense Production Administration selects a base period to establish normal usage; that is, percentage of supply that is normally used by the industry.

After D.P.A. had allocated scarce materials for the second quarter of 1952, making every attempt to achieve a fair and equitable distribution to all civilian industries in relation to the base period, complaints were presented by the automobile industry and an increase in allotments of scarce materials for passenger automobiles was requested. This request was granted.

The industry's steel supply for passenger cars, which

had been reduced below the first quarter, was raised slightly above the first quarter allowance. Later, when a supply of aluminum was released by the military, an agreement was reached with the automobile industry whereby the aluminum allocations are also to be increased.

These arrangements have been made for the automobile industry, without proportional increases in metals being allowed to the many other civilian industries whose production has been seriously cut back by reduced material allocations. The American Federation of Labor hopes that the aluminum released by the military will finally be allocated by D.P.A. in fair and just proportion, across the board, to all civilian industries.

Meanwhile, the home-building and construction industries have been drastically cut back and have received no relief from D.P.A. such as that granted to the automobile industry. While the steel allotment to the passenger auto industry has been raised above the first quarter, steel for building materials has been cut 24 per cent below the first quarter—and cuts in the first quarter were already severe. As a result, layoffs in the building industry are reaching serious proportions.

A representative of the National Association of Home Builders asserts that the new cutbacks will cost 400,000 building tradesmen their jobs. The president of the Building and Construction Trades Council in New York City reports 24,000 unemployed and 37,000 others have left the city to seek jobs elsewhere. He has predicted a similar fate for 90 per cent of the building trades under present restrictions, which are said to save less than 1 per cent each of the steel and copper supplies.

We believe it to be in the interests of administrators, industries and workers to make public with respect to each allocation these facts: base period and how derived, normal usage of controlled metals, percentage of total civilian supplies allotted each quarter. Full publicity would justify a decision based on the principle of "equal sacrifice" and protect the Administration. Since the Defense Administration should serve our economy in the capacity of trustee, there should be open and informative accounting on major decisions which determine production and employment in industries.

### *Litvinov Warns the West*

**T**HE INTERVIEW of Maxim Litvinov, publication of which was delayed until after his death, is a valuable contribution to guide us in present-day problems. Litvinov, with his broad experience with Western nations, his sound thinking and his English wife, could have helped his government to establish freedom based on legal rights and to promote good relations with Western countries. This he could have done had he been permitted to serve the fatherland he loved. Across our tangled situations born of misunderstanding of Soviet purposes and methods came his clear, blunt warning that we cannot trust the Soviet rulers or expect them to keep any agreement or pledge.

Our government proposed that the United Nations stop the aggression of Communist North Korea against the South Korean Republic and stood ready to press the issue to a victorious decision. The United Nations committee which makes policy decisions was unwilling

to press for decisive action for fear of extending the scope of the war. Next, our government accepted in good faith the Soviet proposal to negotiate a truce agreement. Our negotiating committee, headed by Vice-Admiral C. Turner Joy, has insisted upon protecting the gains won by our soldiers, the rights of prisoners and workable machinery to maintain conditions agreed to by both parties.

Meanwhile, the Soviets took advantage of the temporary easing in the fighting to rush in supplies, reinforcement and to build up their air force. Apparently the truce negotiations were intended by them to serve only the usual Communist strategy of gaining time to prepare for new attacks—in Korea or in Southeast Asia.

Litvinov reportedly warned that no appeasement and no faith in compromises will avail us in dealing with the Soviets—only firmness and military pressure. While we want relief from fighting in Korea, we want it on a basis that honors our sacrifices and expenditures of lives and resources and provides safeguards against renewed invasion. We want to be free to assist in fighting aggression against other strategic areas while we bring effective pressure to force the real enemy back into his former territory. Unless the U.S.S.R. learns to honor contracts and respects law and order, she must forfeit her place in any world organization.

We do not believe that the rank and file of the Russian people are satisfied with the godless despotism which the Communist Party has forced on them, but they alone should determine their government. If they choose freedom, we shall be glad to assist them. The establishment of freedom in Russia would resolve basic world problems.

### *The Captain's Duty*

**M**ODERN technology enabled the world to follow the gallant struggle of Captain Carlsen to bring his ship into safe harbor. Will to achieve brought him close to his goal. The ship with persons and property aboard had been entrusted to his custody and he alone remained with it when tragedy became inevitable.

When asked what was the sustaining power when he might have considered his own security, the captain answered simply: "It was my duty." We honor him more highly because he has refused offers to exploit his simple but noble course of action. His will to meet the responsibilities of living typifies life in its noblest aspects—though all too frequently unheralded and unappreciated.

We find this same devotion to duty in the seaman who carries out orders with personal risk of life, the pilot of a plane, the machinist who refuses to pass a product with a faulty part, the building tradesman who rejects inadequate standards, the baker who violates no sanitary standards. When conformity to duty becomes accepted practice, it strengthens and enriches the moral fiber of the nation and gives new powers of endurance.

Upon this guiding sense of duty rest relations between individuals, between human beings and persons dependent on them, between units in various communities and between those who make up states and nations. It is devotion to duty and ideals that dignifies all of living. It is the sense of duty, based on appreciation of the



interdependence of all who work for others, that gives the organized union movement its vitality and its spirit of fraternity exemplified in bearing one another's burdens.

No greater appeal can be made to the majority of men than the call of duty to aid others. Their customary prompt response justifies our faith in human nature. Throughout the centuries men have responded to duty at the cost of life itself.

How widespread the response is simply told in this beautiful stanza:

*A picket frozen on duty,  
A mother starved for her brood,  
Socrates drinking the hemlock,  
And Jesus on the Rood;  
And millions who humble and nameless  
The straight, hard pathway plod;  
Some call it consecration,  
Some call it God.*

# WHAT Are the Red Tyrants Cooking Up Now?

By IRVING BROWN

**S**INCE 1947 Soviet policy has been in open, frontal opposition to the West and specifically directed against the United States. Starting with the opposition to the Marshall Plan, the Soviet-Cominform policy has been directed toward blocking the economic stabilization of Western Europe and preventing the defensive rearmament of Western Europe and the United States.

The renewal of the so-called "revolutionary" line of the Soviets reached its highest and most threatening point with the 1950 aggression in Korea. This was a policy which even risked the danger of a new world war, especially when the Chinese Communist troops were committed.

But Stalin miscalculated, as he has done so many times before. The Korean venture did not turn out as Stalin had expected.

He and his cohorts believed that South Korea could be taken by the North Koreans because South Korea's defenses were completely inadequate and the United States would not openly intervene with troops. Or, thought the Politburo, if the United States did intervene, it would be "too little and

too late" and the North Korean army, supplied by the U.S.S.R. and Soviet China, would gain an even greater victory against the big power, the United States.

But America did intervene and did hold on to the mainland of Korea. This constituted a major defeat for Soviet policy. And in spite of the later direct intervention of the Chinese Communists, the Soviets' plan failed in Korea. Korea marked a defeat and possibly a turning point in Soviet and Cominform policy.

American action to repel the Communist aggression was a blow to any possible additional Soviet attempts of aggression through satellites or under the masquerade of the cold war. In addition, the Communist attack against South Korea speeded up the industrial and military rearmament of America and its European allies.

The failure of Soviet Russia to support a small ally or satellite which the U.S.S.R. had pushed into aggression has contributed to a loss of face, especially in Asia, and has caused consternation among Moscow's satellites in Europe as well as Asia.

All this has contributed to an intensification of Stalin's difficulties in

Eastern Europe, where there are more anti-Communists than in Western Europe and more Communists in jail than in all of the Western world. As a result, it may well be that last June's speech of Malik on Korea marked the turning point in the possible unfolding of a new Soviet tactical policy. The Malik speech led to the protracted armistice negotiations in Korea.

Since the Malik speech there has been a whole series of proposals and actions by the Communists which may appear to fit into a policy pattern.

Last July, several weeks after Malik's speech, the Soviet-dominated World Federation of Trade Unions offered a "united front" to the democratic, non-Communist International Confederation of Free Trade Unions—formerly damned by the Cominform as "a reactionary organization sold out to Wall Street"—in order to fight together, so the W.F.T.U.'s spokesmen averred, for economic improvements, against inflation, for peace and against rearmament.

This was followed by maneuvers in France and Italy, where the Communist-controlled unions—the C.G.T. and the C.G.I.L., respectively—



launched an appeal for united action with all the non-Communist unions. In Germany the Communist Party officially proposed to the Socialists a united front against the Schuman Plan.

Togliatti, the leader of the Italian Communist Party, after returning from Moscow, made a speech last October in the Italian Parliament in which he announced that the Italian Communist Party is ready to enter into what he terms "a peace government." This was followed by a decision of the British Communist Party to support Labor Party candidates in the elections of October 25 except for ten candidates of their own and to give encouragement to the Bevan line, both in politics and the trade unions.

The issue of East-West trade is now presented in a new form by the preparations for a worldwide economic conference to be held in Moscow next April. This is a sort of "world popular front of businessmen" which at the same time becomes a leading issue for Communist Party trade union leaders, especially in France and Italy, in promising more jobs and more prosperity. The success of such a move would weaken the growing pressure on the Eastern Europe bloc which is causing so many economic and political difficulties for Stalin.

The Communists' recent moves in Germany, including the sending of an East German delegation to the United Nations, may presage a major move by Stalin on the German question, inclusive of the possible withdrawal of troops. This maneuver in Germany is being paralleled by new moves in Austria where they seem, at least on the surface, to be engaging in a more subtle and more conciliatory policy.

No one should be fooled by what these maneuvers and even a new policy may mean. Any new "popular front" policy on the part of the Kremlin today would have one fundamental difference from that of 1934-1939, namely, that it is directed against the democratic United States and not against Nazi Germany. This explains in part why a Communist alliance with Nazis and extreme Nationalists of both Western and Eastern Germany is possible. Such a new line, as distinct from the former crude policy, would be more conducive to a new appeasement through a new "popular front."

Stalin's objectives would be the

stopping of American rearmament and the rebuilding of the Western armies, the creation of further divisions among the Western allies, especially with regard to such questions as rearmament, Germany and China, an attempt to isolate American policy as one of a purely military nature devoid of any constructive political or ideological content.

**W**ILL or can the Soviets succeed in these tactics which have only just begun to unfold? I like to believe that they will not. But that depends on whether or not the Western world can muster up enough unity, strength and determination to prevent the totalitarian world from once again taking the initiative to fill the political void which is fast developing as the very success of the NATO military program begins to outstrip our political appeals and propositions.

Certainly there can be no thought of appeasement or of a letup in the arming and all-around strengthening of the Atlantic Pact nations so as to reach a point where "agreement through strength" may be possible with the U.S.S.R. It has become a race against time as to who will seize the initiative to pose clearly and openly the political bases of such a settlement.

This is why I believe that now is the time for the democratic world to indicate that its arming is geared to definite democratic ends—not to war, not to aggression, but to a program of peace and no appeasement for the world based on a settlement which must embrace at least the following:

(1) A free Europe based on free elections, properly supervised and protected, and the eventual withdrawal of occupation troops in all of Europe. This must include, specifically, free elections and withdrawal of troops in both Eastern Europe and Germany.

(2) Immediate grant of equality and sovereignty to the Federal German Republic and incorporation of the latter in all of the present economic, political and military arrangements being made under the NATO setup.

(3) An Austrian peace treaty. If the U.S.S.R. refuses to cooperate, then the three powers—United States, Britain and France—ought to proceed to negotiate separately with the Austrian government.

(4) No hesitation in taking measures to break the hold of the Soviets' fifth column in France and Italy, along with the economic and social measures necessary to maintain and improve the workers' standards of living.

(5) Guaranteed defense of nations threatened with aggression by the U.S.S.R. or its satellites.

The Middle East should not be regarded as the responsibility of France and Britain alone but as the responsibility of the democratic world. There are untold potentials waiting to aid the democratic world in the Middle East and North Africa if we are ready to grant greater justice and equality to the anti-Communist national elements of the Moslem world.

To strengthen whatever democratic forces exist in this area, we must accept and support the right to eventual national liberation inclusive of nationalization. Free trade union rights must be granted, especially in French North Africa, where repressive measures push non-Communist forces into Communist-dominated trade unions, as in Morocco.

Economic aid should be extended so as to help alleviate the hard-pressed masses who live and work in one of the most exploited areas of the world. At the same time, assistance for the great mass of refugees must be continued and augmented. The refugee problem is fast becoming one of the great causes for the intensification of Arab hostility toward the West.

Last but not least, Vishinsky's charges against the new mutual security program should be answered frankly and honestly. Yes, it is quite true that we want to assist the struggling democratic forces of Eastern Europe and Communist Russia to rid themselves of their oppressors.

For example, we should declare to the people of Czechoslovakia, where the regime is practically on the verge of being seriously contested by a revolt or of breaking away from the subjugation of the U.S.S.R., that we will not stand for foreign military intervention of any kind in the internal affairs of that country.

This encouragement from a great power to the resisting forces of Eastern Europe is indispensable if we want to prevent the final consolidation of Communist power and the mass liquidation of all opposition forces behind the Iron Curtain.

# The Upholsterers Are 60

By **SAL B. HOFFMANN**

*President, Upholsterers International Union*

**I**T IS with a sense of genuine pride that the Upholsterers International Union is celebrating sixty continuous years of achievement.

It was in 1892 that the Upholsterers International Union was formally organized on a national basis, comprising at that time forty-one local unions from Boston to San Francisco. This action forged the permanent welding of American furniture workers' unions into a force that, over the past sixty years, has appreciably raised the standard of living for all workers in the industry and improved the economic status of the industry itself.

Actually, the U.I.U. was first established nationally ten years previously, in 1882; but it lapsed during the uncertain period of the middle Eighties, being re-formed in 1892. Since that year our union can point proudly to sixty years of steady growth and a record of proven economic results woven firmly into the fabric of our organization.

From the very first day of our founding under International President Anton J. Engel, who served from 1892 until 1907, the primary and underlying principle of the U.I.U. has been to render the maximum service to our members and to our country. It is this principle, we believe, which is the true hallmark of democratic unionism. It is a principle which we have firmly endeavored to maintain at all times.

The past sixty years have brought with them a vivid panorama of victories and defeats, exultation and heartaches; but throughout this entire period we are keenly aware of a shining thread illustrating marked progress and improvements on behalf of our members.

Since 1937 particularly, the year in which I was first privileged to be elected international president, our organization has endeavored at all times to attune itself to the urgent

needs and towering objectives of the American labor movement. It is a tribute to our members, and to the officers who represent them, that these objectives are now being realized daily in tangible form through our collective bargaining agreements and the many general services which we provide to our membership throughout the United States and Canada.

The officers of our international union believe strongly that the primary principle of providing effective service to our members must rest upon the firm rock of genuinely democratic unionism. We therefore emphasize that the rights of our individual rank-and-file members are pre-eminent, to be preserved and protected. It is upon this basis of expanding union democracy that we have forged our policies and recorded our progress.

**A**ND it is upon this same principle, engraved indelibly in the general laws of our organization, that we shall continue to make greater progress and fulfill increasingly our role within the American Federation of Labor, with which we have had the honor of being affiliated ever since 1900.

The entire structure of our international union has been fashioned to create an organization that is responsive to the wishes of the members and conscious of their needs and aspirations. For this purpose, special administrative divisions—Organization Department, Legal Department, General Contract Department, Education Department, Research Department, Civic Affairs Department, Women's Auxiliary Department—have been established to achieve our primary purpose of rendering maximum assistance and service to U.I.U. members.

These departments function according to policies formulated at our regularly held conventions and conferences, and are supervised and directed by the international president

and the General Executive Board, which meets four times a year.

International conventions are now held triennially and all good-standing members are represented through their delegates. We are proud that our conventions have been held continuously as scheduled since 1892, with the exception of 1933, when cancellation was made necessary by the economic ravages of the great depression.

Because the motivating force running throughout the entire organization is that the ultimate control and direction of the U.I.U. lie in the hands of our rank-and-file members, we constantly emphasize at our many meetings and educational conferences that our officers and rank-and-file members must assume this great responsibility when they formulate the laws and policies of the U.I.U. through their delegates to our conventions or by direct referendums. Our general laws guarantee that all good-standing local union members will receive the protection of inalienable democratic rights and privileges.

The convention delegates elect the international president, international treasurer and ten international vice-presidents, all of whom comprise the General Executive Board. Every one of these elected officers must be a bonafide U.I.U. worker. To insure that all areas and industrial branches within our organization are represented on the General Executive Board, our vice-presidents are nominated and elected on an industry and geographical basis. Industry department and geographic district conferences are also held triennially, at which time major industry and geographic area policies are formulated and presented to the international union for implementation.

The result is that in each single year a major convention—regular convention, industry department conferences

for our five major industrial classifications, district conferences for our five geographic districts—is held to reflect and implement the policies demanded by our membership through their local union delegates.

Our administrative departments, operating under the direction and supervision of the international president and General Executive Board, then have the responsibility of translating these recommended policies into meaningful action for our members.

This goal is accomplished by all our administrative departments working in a close relationship together, and with our local unions, to achieve the common goal of better wages, improved job conditions and greater security for our members. Because we realize that today's industrial world is specialized and emphasizes the need for trained experts, the international union has established an equally specialized and expert series of functions and administrative divisions designed to assist our members in the maximum attainment of their economic and social objectives.

The wages and working conditions desired by our members are protected and obtained by our field service representatives who, under the direction of the Organization and Service Department, assist and guide the local shop committees, negotiating committees and local union officers to protect the workers' rights and supervise and handle grievances and complaints.

Also under the Organization and Service Department, a staff of competent organizers is employed to organize the unorganized workers throughout the United States and Canada who are within U.I.U. jurisdiction.

The General Contract Department meshes its functions with these activities. It examines and checks all collective bargaining agreements to make sure that they contain the basic economic standards necessary for the welfare of U.I.U. members. The Industry Departments at their regular triennial conferences determine in democratic manner the economic criteria for workers in each U.I.U. industrial branch.

**T**HE Research Department provides basic and general statistical material to assist the local unions and field representatives to do a more effective job, and acts as our liaison with relevant government agencies affecting the welfare of our members.

We maintain a functioning Education Department to train local leaders in effectively conducting the affairs of their union, to develop a more alert and understanding general membership and to help the field staff in carrying out their many important activities.

Because of the wide variety of federal and state laws which govern the life of trade unions, a Legal Department is maintained to correlate and coordinate all legal activities, to see that all collective bargaining agree-

ments contain protective legal provisions and to assist the locals and the international with such legal problems as may arise.

The U.I.U. Civic Affairs Department functions to educate our members concerning their role in government and on the relationship of government to them as citizens and trade unionists, to protect our rights and achieve our aspirations with established legislative bodies, and to acquaint our members with their proper political activities and their civic duties and responsibilities.

To render added assistance to the members, a full-time Women's Auxiliary Department has been formed to utilize the talents and energies of the womenfolk of U.I.U. members so that our economic objectives may be further protected and achieved.

Our international officers were among the first to urge the establishment of a comprehensive sickness, accident and life insurance program for union members. Such a program was put into effect early in 1944. Today the overwhelming majority of our members are covered by this program, which is international in scope and second to none in the benefits provided for our covered members and their families. Very shortly a pension program will be introduced so that all our aged members may have greater economic security.

It is not merely in the fundamental area of trade union service that I feel the U.I.U. (Continued on Page 30)



*A humble structure served as headquarters in the long ago. Today the union is housed in this mansion*



# DIXIE IS JUMPING

By J. L. RHODES

*Regional Director of Organization*

**T**HIS year Southern workers expect to enjoy a stronger position in regard to employment opportunities and profitable rates of pay than at any other period in history. The coming to the South of a great many industrial plants means thousands of new jobs.

It is not our intention to enter the controversy concerning the movement of industry from the North to the South. It is definitely the intention and duty of the American Federation of Labor and its affiliated unions in the South to organize the workers of these new plants. And that we will do.

Long ago someone wrote that the economic problems of the South were indicated by the circumstances surrounding the funeral of a certain Georgia citizen. His body was dressed in a shroud made in New York. His coffin was made of pine boards, plentiful in Georgia; but his coffin was made in Cincinnati. The body was borne to the grave in a hearse made in Detroit. His grave was opened in solid marble—and when the monument over the grave was erected, it was also of marble—marble from Vermont.

The one-way movement of money from the South to the North which this little story illustrates is a thing of the past.

It has been noted that the Southeastern section of the United States has only 14 per cent of the nation's industry. The arrival of new plants in this section brings needed new jobs and needed new purchasing power.

So far as the Southland is concerned, it has been calculated that, irrespective of any arguments to the contrary, the region's natural resources and the growing market for products of all kinds in the South must bring new industrial plants to the area.

Figures released by the American Federation of Labor at the recent convention in San Francisco showed

an increase of 1,000,000 in the membership of the American Federation of Labor. A large part of that growth has taken place in the Southern states.

Atomic energy is one of the biggest things in Dixie at the present time. In recent months great industrial activity in connection with the vital atomic energy part of the national defense program has been seen in the South.

The famous atomic energy installations at Oak Ridge, Tennessee, have been extended. Mammoth plants have been built at Aiken, South Carolina. A great atomic plant has been erected at Paducah, Kentucky, and another at Amarillo, Texas. These vital defense plants have all been built by union labor. Naturally, they will be expected to operate with union labor, too.

**A**IRCRAFT is another industry which has expanded enormously under the impetus of the defense program. There are big new plants in Texas, Oklahoma, Alabama and Georgia. All of these new aircraft installations have been created by the skilled hands of trade unionists.

Then there is the vitally important chemical industry. This industry has brought to the South numerous great plants. They contribute to a growing need for other small plants and other industries. The result is added employment opportunities for Southern workers. The small plants become an integral part of the whole scheme of industry in the South. Industry breeds industry.

As Dixieland has experienced industrial expansion, the labor movement has also grown. The growth has been not in numbers alone. Labor has gained new prestige and new influence in the South during recent months. This trend will continue.

During the past year the American Federation of Labor in the South has



MR. RHODES

won bargaining rights in 1,200 out of 1,800 elections. The victories have occurred in every industry.

The A. F. of L. made vast gains in atomic energy. Agricultural workers formed what appear to be the first substantial unions of farm labor in the South. The Chemical Workers organized plants in every section of the Southern territory.

Other A. F. of L. unions have also done very well in Dixie. The Aluminum Workers have extended their membership and have been successful in gaining bargaining rights where the competitive labor organization formerly operated. Fishermen along the Gulf Coast have extended their membership to the extent of many thousands. Gains have been made in the Florida citrus industry. Substantial organizations have been established in the furniture and sawmill industries. More workers of the paper industry have joined the American Federation of Labor family. Trade unionism has expanded greatly among the workers of the electric power industry.

In keeping with the traditional diligence of American Federation of Labor groups in the hosiery, textile and garment industries, great numbers of workers in these fields have been brought under the banner of the American Federation of Labor during the past year.

The State Federations of Labor and city central bodies, which are the focal points of activity in the general labor movement of the South, have made significant advances. Political education has been stepped up. There has also been an (Continued on Page 29)



# Venezuela Crushes Labor

## *Brutal Dictatorship Apes Stalin Terror*

By SERAFINO ROMUALDI

ONE report after another, filtering through the wall of indifference and silence which surrounds Venezuela, indicates that the persecution to which free labor is being subjected in that country has reached heights of brutality which equal the extremes of terrorism under the Soviet regime in Eastern Europe.

Since the establishment of a military dictatorship in November of 1948, free trade unions have been steadily eliminated.

On February 25, 1949, the Venezuelan Confederation of Labor (C.T.V.) and its state branches were dissolved by a decree of the Military Government Committee.

On May 6, 1950, forty-seven oil workers' unions which made up the Federation of Oil Workers of Venezuela were dissolved, their funds, property and files were attached and their leaders taken into custody.

At about the same time the National Federations of Farm, Construction, Textile, Garment and Dock Workers and the Printers Union of the Federal District were also dissolved.

A decree of the Minister of Labor on March 9, 1949, ordered new elections in all local unions, setting up limitations for the eligibility of the new boards which were a clear violation of trade union rights. As a result of these limitations, no member who had served in previous administrations could be elected.

The government hoped through this device to gain control of the Venezuelan labor movement, but it failed. In almost every local where elections were held, elements loyal to the democratic leadership of the dissolved Confederation of Labor gained control of the administration. The government then resorted again to arbitrary measures, such as confiscation of funds and property, padlocking of headquarters, disbanding of meetings and arrest of leaders, which made it im-

possible for the unions to continue to exist.

When the democratic government of Venezuela was overthrown in 1948 there were 1,053 unions in the country. Three years later there were 387 (according to government figures), consisting mostly of small groups controlled by dissident Communists and other elements that had surrendered completely to the dictatorship and receive from it protection and economic support.

In every city and town and in the oil fields hundreds of labor leaders have been arrested. Many of them are still in jail. Some have been in jail for almost two years. Among the latter are Pedro B. Perez Salinas, president of the C.T.V.; Luis Tovar, president of the Petroleum Workers Federation; Jose Gonzalez Navarro, president of the Federation of Workers of the State of Miranda and the Federal District; Hermenegildo Bormore of the Federation of Workers on the State of Monagas; Alcides Rondon, leader of the same Federation; Jesus Amundarain and Gonzalez Castillo, leaders of the Petroleum Unions.

FIVE hundred prisoners, among them the leader of the Printers Federation, Raul Acosta, were removed last November to Guasina Island, at the delta of the Orinoco River. This is a very unhealthy place. There are no buildings and nothing that could assure a minimum of safety. Most of these prisoners will die of illness and privation unless they are soon removed to a safer locality.

On last Columbus Day isolated groups of citizens staged violent protests against the continued suppression of civil rights. Following these protests many of the arrested labor leaders were subjected to brutal physical tortures in the cells of the prison at Caracas and in improvised torture chambers of the National Security

Police. Here are some of the most glaring examples of such tortures:

Salom Meza, leader of the National Association of Commercial Employees and ex-member of the Caracas Municipal Council, had his arms and legs dislocated, his eardrums were broken and he developed serious nose and mouth hemorrhages.

Trade union leaders Humberto Hernandez and Lucas Perez were kept incommunicado for three months in a dark, solitary cell. They were beaten up repeatedly and subjected to the "wet treatment" of having buckets of water thrown over them.

Gustavo Ravelo, Crisologo Ravelo, Desiderio Martinez, Rafael Angel Prieto, Efrain Colina and other Venezuelan trade union leaders were subjected to severe beatings for ten consecutive days at the headquarters of the National Guard and fed only bread and water. One of the prisoners, Lino Nunez, suffered such severe cuts that he had to be taken to the Emergency Hospital of Caracas where he is still confined.

Another group of workers were kept for four days completely naked in a solitary cell, compelled to sit on blocks of ice, beaten repeatedly and subjected to electric shocks. A well-known trade unionist, Eloy Martinez Mendez, was beaten so severely that he fell into a coma. A shoe worker, Armando Diaz, was hung by his feet for two days, as a result of which he suffered several bone fractures in his right foot.

During the long police interrogation labor people are often subjected to a special torture called *tortol*—which means that ropes are tied around the victim's wrists and tightened until he loses consciousness. Complete details of these tortures have been recorded in *Informaciones Venezolanas*, a clandestine publication circulated by the democratic political and trade union opposition. The list

of Venezuelan workers who have been subjected to these tortures is close to one hundred.

From time to time the dictatorship issues statements alleging that the democratic political and labor opposition is cooperating with the Communists. These statements are issued with the intent of confusing international public opinion and gaining the support of the democratic governments of the West, particularly the United States, which are engaged in a fight to the finish with the international Communist conspiracy.

The truth of the matter is that no group in Venezuela has been or is more opposed to the Communists than the C.T.V. and the Democratic Action Party (A.D.) which comprises the present opposition to the military dictatorship. In 1945 the Communists took up arms in order to fight in the streets of Caracas the democratic forces which had organized a provisional government.

After the establishment of the military dictatorship in November, 1948, the Communists for a number of months openly supported the military government, receiving in exchange complete freedom of action, especially in the labor field, where they attempted to supersede the democratic leadership.

In the middle of 1949 the open support of the Communist elements became a liability to the military government of Venezuela. The Communist Party then was disbanded, but this was done mainly for reasons of international opportunism. A Communist splinter group, known as "Black Communists," was never disturbed and still constitutes the main prop of the military government in the so-called leftist sector of the nation. Even the Communists loyal to Moscow were never completely prevented from being active throughout the country.

When not engaged in gathering signatures for the so-called "peace appeal," the Communists concentrate their fire against the Democratic Action Party and its trade union leadership, which they accuse of being "agents of Yankee imperialism." In a recent issue of *Venezuelan News*, the so-called clandestine publication of the Communists, five of its eight pages were devoted to a violent attack against Romulo Betancourt and his Democratic Action Party, as well

as the labor leaders allied with it, whom the Communists accuse of "getting ready to seize power in order to serve the interests of the war-monger oil barons."

The sixth national conference of the Communist Party of Venezuela, which was held last spring, reaffirmed that "the duty of the Communists is to fight without quarter the political movement headed by Romulo Betancourt and the trade union movement headed by Augusto Malave Villalba." This was reported in the April, 1951, issue of the clandestine Communist paper circulated in Caracas. On May 18, 1951, Radio Moscow approved the decision of the sixth national confer-

ence of the Venezuelan Communist Party, emphasizing the pledge of "continued opposition to the Democratic Action Party and the Confederation of Labor."

In order to dispel any possible doubt as to the anti-Communist sentiments of the opposition movement in Venezuela, the leaders of A.D., in conjunction with the leadership of the C.T.V.-in-Exile, issued last November a strong statement—which was widely circulated in Venezuela—reaffirming their uncompromising opposition to the Communist Party, which they rightly termed as nothing else than a tool of Soviet imperialism.

Free trade (Continued on Page 30)



## Heroic Captain Carlson Is Member of A. F. of L.

Captain Mark Earl Carlson, who stayed with the Flying Enterprise after making everyone else get off the world's deadliest last month, "I'll stick to the ship as long as she remains afloat," the skipper had declared—and he kept his word. He refused to get off until she almost sank under him.

The heroic performance of Captain Carlson will long be remembered, although the daily newspapers ignored the fact it is of interest to trade unions that the courageous captain is a good union man himself. He was born on March 28, 1904, in New York, of the Maritime Union and Teamsters of St.

# North Carolina Reports

By C. A. FINK

President, North Carolina State Federation of Labor

**T**HE labor movement of North Carolina is faced with the same problems that confront trade unions in the other Southern states and which also occur, in lesser or greater degree, in all other areas.

Among the problems which North Carolina labor must meet and overcome is one that is not recognized by some union members. We refer to the efforts of hostile individuals and groups to place labor organizations in an unfavorable light. These unprincipled foes of trade unionism lose no opportunity to smear the officers and members of unions who are endeavoring, in a sincere and decent manner, to better the wages and working conditions of all people who toil.

Most editors and radio commentators fail to present the workers' side of questions in a fair manner. As a result, the public secures a biased and unfavorable impression. The job tenure of these prejudiced editors and commentators may depend upon their carrying out the anti-union wishes of those who employ them.

It must not be assumed from this introduction that the American Federation of Labor has stood still or gone backward in North Carolina. Nor is this an alibi to cover any lack of progress which we might have made under more favorable conditions. It is simply a statement of conditions which exist in North Carolina and in the country as a whole.

In the last few years North Carolina workers have suffered legislative reverses. On the other hand, gains in membership have been made and the number of locals and central bodies affiliated with the State Federation of Labor has increased. We have also succeeded in having some legislation passed which is of benefit to working people.

In 1949 the State Federation of Labor held its annual convention in Charlotte. That was probably our largest convention up to that time. However, in Winston-Salem the fol-



MR. FINK

lowing year we bettered previous marks, and in Asheville last August we held what was undoubtedly our most successful convention since our first, which was held forty-five years ago.

In the past two years we have added twenty-six local unions to the State Federation's rolls. Eight of these have been secured since the last convention. Most of our locals have added members during these two years. This has strengthened our city central bodies as well as the State Federation of Labor.

When the International Association of Machinists reaffiliated with the American Federation of Labor last year, all locals were extended a cordial invitation to join the State Federation of Labor. Some accepted the invitation promptly, and we feel that the other locals will also affiliate in the near future.

North Carolina wage-earners have been unable to secure the repeal or amendment of the vicious anti-labor laws passed in 1947. In the two sessions of the legislature held since 1947 our legislative committee did everything possible, but labor was confronted with hostile legislators who refused to budge.

However, some legislative gains have been made by labor. Thus, the Workmen's Compensation Act was

amended to increase payments from \$6000 to \$8000 in case of death and raise the maximum benefits for injured workers from \$24 to \$30 a week. The unemployment insurance law was altered to provide maximum benefits of \$30 a week instead of \$25 and the number of weeks of coverage was extended from twenty to twenty-six. The one-week waiting period was wiped out.

Other measures favorable to labor are a law prohibiting employers of twenty-five or more persons from charging for any medical examination which is required by the employer, a law rewriting the voluntary arbitration statute, a law calling for an increase in contributions to the city firemen's benefit fund and a civil service law for Asheville city employees.

Labor's League for Political Education took an active part in the 1950 campaign. However, our fine candidate for the United States Senate was defeated. Many are of the belief that the defeat of Frank Graham was due to the opposition's lavish use of cash and the odious smear technique.

While there is considerable basis for this belief, the fact remains that working people have the votes, and if they do not exercise their electoral privileges at the ballot box, they have no one to blame but themselves when reactionaries slip into office and proceed to pass oppressive laws.

Primary elections are held in March, April and May. It is at the primaries that good candidates for the November elections should be chosen. We should see to it that every unregistered member gets his name on the registration books. We have often seen a man go to the voting place, only to be told that his name is not on the books. Thus, through his own neglect, he loses his right to participate in the election.

Director McDevitt of Labor's League is working hard to insure success of the movement. The trade

unionists of North Carolina will cooperate fully.

The League was set up in 1947. Much activity was subsequently shown in North Carolina, especially in the industrial centers. Good work was accomplished. Now the League is prepared to go forward and strive for results in the coming primaries.

**T**OBACCO is a great North Carolina industry. We of the labor movement in North Carolina take pride in the fact that all but one of the major tobacco companies have agreements with American Federation of Labor unions and the members of the tobacco unions are a vital part of the State Federation of Labor.

The North Carolina State Federation of Labor has from time to time increased its number of vice-presidents. At this writing there are nineteen vice-presidents, so that all sections of the state are represented. Two of the vice-presidents of the State Federation are Negroes.

The last convention adopted a resolution which reads:

"That a Negro shall be appointed by the president of the North Carolina Federation of Labor to the Committee on Education and Public Relations; that his services shall be available to the State Federation of Labor in the interest of political action and public relations among the members of his race; and that he shall perform the duties as public relations worker in keeping the Negro race better informed as to the aims and purposes of labor unions, thus assuring a greater and stronger North Carolina Federation of Labor."

A matter of interest to North Carolina and the nation arose in April and May of last year. It involved the right of a citizen to affiliate with an organization of his choice.

Teachers in the Forsyth County schools organized a local union of the American Federation of Teachers, which is an affiliate of the American Federation of Labor. On May 8, 1951, the newspapers carried a United Press dispatch with a Winston-Salem dateline which read as follows:

"County School Superintendent Ralph Brimley warned teachers here today that their chances for advancement or jobs elsewhere would be influenced unfavorably by union activity. Brimley said he would not recommend any teacher for a job at another

school who had been active in attempts to form a teachers' union in Forsyth County.

"When any of you strike out once, we are going to let you get your second start somewhere else," he said, "and I do not believe I would recommend to schools elsewhere a teacher who has been active in a union in this county."

"Brimley said he 'doubted' whether he would recommend teachers who were active in a union for administrative posts.

"Brimley called the teachers together yesterday for a 'heart-to-heart talk' at Mineral Springs School."

The State Federation of Labor branded Superintendent Brimley's stand unfair, undemocratic and non-Christian, inasmuch as he was threatening his teachers with dire punishment for exercising their American privilege of forming and affiliating with a labor union.

Later the daily press reported that the Army had named this same Brimley as a member of a mission of fifteen educators to spend seven months in Japan "to instruct the Japanese in democratic education." We promptly advised President William Green of the American Feder-

ation of Labor concerning Brimley's warning to teachers under him against having anything to do with a union. The invitation to Brimley was withdrawn, the Army evidently feeling that Brimley's anti-labor attitude scarcely qualified him to teach democracy to anyone.

At this point North Carolina's two Senators and Representative Barden became very angry. They charged the Army had "taken dictation" from the American Federation of Labor. Editorial writers of the daily press, with few and notable exceptions, made repeated vicious attacks upon the Army, the A. F. of L. and the North Carolina Federation of Labor.

Our Senators had an unfair picture of the proceedings inserted in the *Congressional Record*. The State Federation convention countered by presenting a true picture of the case and sending copies to each member of Congress, the President and Cabinet members, so that each might have the full facts.

Organized labor has a great deal of work to do in North Carolina as in the other Southern states. We know what the job is, and we intend to get on with it during 1952. We know we are going to make progress.

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## 20 Years Ago in the FEDERATIONIST

**A** WORLD wracked by the misery of our 20,000,000 unemployed, who, with their families, have not sufficient food, is the urgent problem that faces us.

•  
WHEN LABOR is asked to accept a wage cut in order that dividends may be paid, then labor has a right to inquire into capitalization to assure itself that only bona-fide values are included. Labor has a prior right over capital if we are to maintain either industry or civilization.

•  
PROPOSALS for the enactment of dismissal wage laws in the United States were advanced more than twenty years ago. Nothing came of these proposals. But the present unemployment crisis has revived interest in discharge-indemnity legislation.

•  
THE CHEYNEY silk mills at South Manchester, Connecticut, cut wages 10 per cent and then made a second cut of 20 per cent, after which they donated \$10,000 to help the unemployed. All work given by the Emergency Employment Association is paid for at the rate of 35 cents an hour.

•  
OUR WEIGHTED figures show 21.8 per cent of our own membership out of work, the highest figure ever reached in the four years of our records. Unemployment is especially serious in the six following industries, where over 35 per cent are out of work: building (59 per cent), musicians (53 per cent), clothing and textile trades (44 per cent), manufacturing (37 per cent), water transport (37 per cent), metal trades (35 per cent).

•  
THE DIFFERENT unions at West Frankfort, Illinois, are caring for their unemployed members. The local unions of the United Mine Workers of America are helping their needy members through a check-off and also helping those whose mines shut down through lack of orders.

•  
SEVERAL of our affiliated unions in Cleveland have established a system in which all members working pay a certain amount to their union of each day's pay to support the members who are unemployed.

•  
WHY NOT at once introduce the six-hour day and the five-day week at the same wage scale now paid for the longer hours of service? Since there is but one-sixth of all the population out of work, it will be clearly seen that the proposed reduction in working hours would be more than adequate to solve the unemployment situation.



# A National Health Program

(Continued from Page 7)

cent of the people of this country have *comprehensive* health insurance such as they would enjoy under national health insurance.

Our nation can't afford to have only partial protection against sickness. The cost in human misery and lost manpower is too great. For such programs to be effective, the insurance must cover nearly everyone. Just as public education had to be available for all of our people before we could develop a better educated country, so medical skills must be available to all if we are to have a healthy nation. Incomplete health coverage is not enough, and we need not be satisfied with anything less than the best in America.

Adequate medical, surgical and hospital insurance for our members and their families has long been a part of the A. F. of L. program. It is an accepted subject for collective bargaining, and some of the best "health and welfare" plans in effect in industry today have been negotiated by A. F. of L. affiliates. Wherever we can, we shall write into our contracts some form of health insurance. But in most such contracts the benefits are confined to the worker. Protection for the health of their wives and children must be paid for out of the workers' own pockets. And when the worker loses his job, he loses all such protection just when it is most needed.

And also out of the workers' own pockets come "routine sickness" costs, plus costs for medical treatment of "pre-existing conditions," that is, sickness you might have had before your policy started that would require expensive medication. While we work for better health insurance clauses in our collective bargaining agreements, our larger goal is to take the price tag off health for *everyone*, not just ease the medical burdens of our own members.

Most of the attacks you hear on national health insurance or a broad health program for our country more than likely have been instigated by the American Medical Association lobby, which has levied compulsory dues of \$25 on each member to pay for such attacks.

In order to get accurate facts in countering these attacks, organized

labor is supporting the work of the Committee for the Nation's Health.

We should remember, however, that even with such allies as the Committee for the Nation's Health to furnish us information, we must be our own spokesmen in our own communities. At every step we must answer, and answer with facts, the propaganda spread by those trying to stop progress. The A.M.A. lobby, lined up with the reactionary political coalition, is pouring millions of dollars into its campaign to misinform us. Instead of spending all its energies on finding ways to make America healthier, the A.M.A. leadership is wasting these funds on political scheming to elect reactionaries to office.

Our present Congress cannot be relied upon to give us the kind of comprehensive health program so essential to our welfare. But this is an election year. This is the time to make our voices heard.

We must fight for what we want by voting for liberal candidates who recognize labor's needs and the true welfare of America. And we must fight with truth the malicious distortions which will be widely circulated in the coming pre-election months.

We need more doctors and nurses, more hospitals and more medical research. And we must have a national health insurance program so that all these medical facilities can be made available to all of us. This program will be attacked viciously. But we can win if we know the truth. Here are a few facts you can use in the campaign for a nationwide health program:

(1) Under national health insurance you choose your own doctor. You simply pay the doctor of your choice for his services from the insurance fund. You are not "assigned" to a doctor.

(2) Your doctor can choose his patients. There is no medical regimentation. He would still be in private practice, not working for the government. But he would no longer have to overcharge some patients to do charity work for others.

(3) Your state, not the federal government, would handle the administrative details. You, your neighbors, local doctors and hospital heads would keep arrangements for medical care within the community.

(4) The health insurance bill guarantees the privacy of medical records. Your medical problems are just between you and your doctor. Any violation of that privacy is punishable under law.

(5) The idea is not "foreign." It was proposed in 1798 for our merchant seamen by Alexander Hamilton here in America.

(6) National health insurance will save you large amounts of money. As a worker you would pay only 1½ per cent on your wages up to \$4800. Your employer would match this amount. You are just chipping in along with management to a fund to pay your doctor and hospital bills.

The average worker's insurance premium would cost him about a dollar a week. Figure it out for yourself. Would it be worth a dollar a week to have all your own doctor and hospital bills, plus the medical expenses of your entire family, covered by insurance?

And under national health insurance our unions can negotiate through collective bargaining to have management pay part or all of your premium. Unions could maintain their own plans of providing medical services which would be paid for out of the insurance fund.

Facts and logic are on the side of national health insurance. Sooner or later the time-worn, threadbare arguments against it will give way to the irresistible force of the American people's good common sense. Sooner or later the program for which labor pleads will be enacted. Let us make it sooner rather than later.

Men and women of organized labor must continue to lead in the fight for a national health program. For this is a fight for a healthier, a better, a stronger America.

*It's American to Vote*



# Labor NEWS BRIEFS

▶The American Federation of Labor and affiliated unions are giving all-out support to the thousands of striking Prudential Insurance Company agents who are seeking a deserved pay increase. The agents are on strike across the nation. The attitude of the company has been denounced in Congress.

▶Holding of husbands-and-wives meetings to push political education is strongly urged by Harvey Kitzman, director of Region 10, A. F. of L. Auto Workers. Where such meetings have already been held, says Mr. Kitzman, the results have been excellent.

▶Local 934 of the Brotherhood of Carpenters has reached an agreement with the Hoosier Cabinet Company of New Albany, Ind. The new accord calls for an hourly wage increase retroactive to November.

▶The United Garment Workers of America have won wage increases from the Angelica Uniform Company. The locals involved are Local 111, St. Louis; Local 324, Winfield, Mo.; and Local 349, Brunswick, Mo.

▶Local 207 of the Printing Pressmen and Assistants, Miami, Fla., recently obtained a wage increase.



*A leader of labor in Missouri is Mrs. Pauline Musgrave →*

▶B. H. Green has been reelected as president of the Central Labor Union of Albuquerque, N. M. James Giachello was reelected as vice-president. Mrs. J. W. Olliverson was named secretary-treasurer.

▶Local 125 of the Plumbers and Steam Fitters, Cedar Rapids, Iowa, has won an increase in the hourly rate. The union's new scale is \$2.58 an hour.

▶British miners hit back hard when a Tory member of Parliament charged that the reason for objections to the entry of coal diggers from Italy "is not so much the danger of unemployment but that the Italians have a certain sex appeal toward the miners' wives and daughters." Promptly shot back the National Union of Mine Workers: "Sex is not as important in mining villages as it is in the West End of London."

▶Local 8 of the State, County and Municipal Employees, St. Paul, has won a wage increase of \$18 a month.

▶Mrs. Pauline Musgrave, president of the Women's Union Label League of Springfield, Missouri, has been reelected as secretary-treasurer of the Central Labor Union in that city. Her efficient performance of her duties was praised. Mrs. Musgrave belongs to the Office Employees, Local 185.

▶The Screen Actors Guild in Hollywood has signed collective bargaining contracts with a large number of motion picture production companies, of which many are primarily engaged in producing films for television. All contracts carry the Guild's standard union shop clause.

*Film stars all belong to the A. F. of L. This is an Executive Board meeting of Screen Actors Guild*



►At Rocky Flats, Colo., the Midwest Contracting Company has agreed to stop using non-union labor on the atomic energy project. As a result, better relations now prevail. Earlier a stoppage of work had occurred.

►Local 891 of the Teamsters, Jackson, Miss., has won wage increases of 10 to 14 cents an hour for truck drivers, checkers, warehousemen and lift operators employed by nine trucking companies in that Deep South city.

►Local 643, Retail Clerks, San Francisco, has accepted a \$5 weekly wage increase. The boost goes to grocery workers. The increase raises clerks to \$75 a week, head clerks to \$80 and store managers to \$100.

## Close the Tax Loopholes!

(Continued from Page 9)

is that one taxpayer or a small group of taxpayers is being allowed to convert ordinary income into capital gains, or is being permitted a double deduction for depletion, or is being exempted from a fair share of the tax load. We cannot afford to indulge in these practices. Experience in foreign countries provides ample evidence that a tax system will quickly become discredited and wholesale non-compliance and tax evasion will be invited. This is the road to inflation and national bankruptcy."

The story of the failure of the Eighty-second Congress to enact an adequate and equitable tax law is now well known. President Truman requested \$10 billion in additional taxes. Congress approved a Revenue Act estimated to yield \$4.4 billion short of the amount requested. In the interval, federal expenditures have increased. The probable deficit for fiscal 1953 is estimated at \$14 billion. Even if economies are made, additional revenue will be needed.

The American Federation of Labor has supported and will continue to

support all honest efforts to reduce federal expenditures. However, whether or not federal expenditures are reduced, Congress cannot escape its responsibility for levying necessary tax revenue. Year after year it has diverted attention from its failure to levy those taxes by loud protestations of intention to reduce spending.

The record shows that Congress has cut tax revenues several times since World War II and then proceeded to approve expenditures that have resulted in further deficits.

The Executive Council of the American Federation of Labor has urged that the appropriate committees of Congress immediately consider legislation to raise additional revenue of at least \$5.25 billion to be made up as follows.

Recapture loss due to split-income provision .....	\$2.5 billion
Withholding tax on dividends and interest.....	.3 "
Eliminate depletion allowance .....	.7 "
Integration and revision of estate and gift tax laws.	1.0 "
Closing various loopholes..	.75 "
	<hr/> \$5.25 billion

## Dixie Is Jumping

(Continued from Page 22)

intensification of public relations activities. More time and more energy than ever before are being put into goodwill-building.

The State Federations of Labor in particular are carrying a heavy load in public relations and community opinion-molding. It has been found that the creation of a favorable climate of opinion is the most potent counterforce to anti-labor propaganda.

Special attention is being paid to overcoming anti-labor legislation by building greater confidence among the workers and creating in them the determination to construct stronger and more effective unions. The associations organized by working people

must be strong in order that they may bargain on an equitable basis with the mammoth corporations already operating in the South and with the powerful newcomers that are arriving daily from other sections of the country.

As the Southern worker enjoys more employment and better wages he becomes more organization-conscious. As he changes from rural to urban life, he learns to like and expect a higher standard of living.

The Southern worker who wants to enjoy a higher standard of living soon learns that there is only one key to the attainment of that goal—trade unionism. And when he makes up

This additional revenue of five to six billion dollars could be easily secured, without affecting the economy adversely, by eliminating the tax advantages enjoyed by certain taxpayers which have been cited.

It is obvious that while more tax revenue may be needed in 1952, major emphasis must be placed on equity considerations in the raising of that revenue. Any suggestion of a general increase in taxes before major loopholes in existing tax laws are closed would be both inequitable and uneconomic and would be opposed by the American Federation of Labor.

Loopholes for privilege must be closed as a necessary first step to tax equity under laws within the framework of our present tax structure. The adequacy of that structure at the several levels of government should also be examined. The present federal tax system is geared to a defense emergency situation. State and local systems are creaking and groaning, poorly prepared to cope with increasing demands made upon them. An analysis of the relation of state and local tax systems to the federal revenue system and the possibilities of coordinating these tax systems will be taken up in a later article.

his mind to become a trade unionist, it is natural that he thinks of the American Federation of Labor.

There are millions of working people in the South who need the benefits of organization. During coming months the Southern organizers of the American Federation of Labor and of the affiliated national and international unions will be urging these unorganized toilers to come into the family and begin to enjoy fair wages and decent working conditions.

The great job of organizing the South cannot be accomplished overnight. It is a task that will take a considerable time to complete. However, we of the Southern office are confident that substantial progress in that direction will be made during the remaining months of 1952.



## Venezuela Crushes Labor

(Continued from Page 24)

unions throughout the world have reacted quickly against the anti-labor policy of the Venezuelan government.

The first protest was voiced by the labor members of the I.L.O. Governing Body on December 10, 1948. From then on hardly a month passed without such protests being registered from different parts of the world. President Green of the American Federation of Labor was one of the first to pledge complete solidarity of the free labor movement of the United States with the persecuted trade unionists of Venezuela. Every A. F. of L. convention from 1949 on, as well as every international trade union gathering, has consistently added its voice of protest.

Following the approval of a resolution at the I.L.O.'s Western Hemisphere regional conference in Montevideo in May, 1949, in which an investigation of labor conditions in Venezuela was demanded, a committee of the I.L.O. visited that country during the summer of 1949 and published a report in which violations of labor's rights were attested and condemned. Nothing, however, was done by the Venezuelan government to remedy the situation.

In June, 1950, at the I.L.O. conference in Geneva, the spurious worker delegate appointed by the Venezuelan military government was denied admission by unanimous recommendation of the Credentials Committee. This stinging rebuke was administered in the hope that the Venezuelan government would finally mend its ways, but again nothing was done. On the contrary, persecutions of Venezuelan workers increased.

The International Confederation of Free Trade Unions was therefore compelled to bring the case before the Economic and Social Council of the United Nations at its next session. The I.C.F.T.U. representative before that body, in cooperation with the O.R.I.T., has not only endorsed the move to bring the Venezuelan case before the United Nations but has also called upon the labor members of the I.L.O. Governing Body to bring up to date the charges of violation of trade union rights in Venezuela, which were originally filed by George P. Delaney, the United States workers' representative in that body.

The efforts of the O.R.I.T. and the I.C.F.T.U. are being followed with mounting interest throughout Latin America. Special editions of the clandestine democratic press have spread the news to every corner of Venezuela.

The prevailing opinion in Latin America is that the time has come for the United Nations to take a courageous stand against brutal violation of human and civil rights, not only when it happens in satellite countries under Soviet domination but also when such violation takes place in countries which are members of the Western democratic alliance.

A leading Latin American magazine, *Bohemia*, in reporting the latest events in Venezuela, said in a recent issue:

"This news [from Venezuela] is so shocking as to appear absurd. It is, in fact, hard to believe that such happenings could take place in a country of the Americas, from which such vehement protests constantly arise when violations of human rights oc-

cur in faraway countries of Central Europe. It is also hard to believe that a government guilty of such crimes could be regarded as a member of the 'Western democratic bloc' of the U.N."

Another authoritative warning has come from the President of Cuba, Dr. Carlos Prío Socarras. Addressing the national convention of his Authentic Party a few weeks ago, he stated:

"It is wrong to attack the Communist dictatorship from Flushing Meadows or Paris if silence is maintained about the suffering of those who live under the American dictatorial regimes. It is wrong and dangerous. A personalistic dictatorship weakens the moral fiber of the people and paves the way for the abject submission of men to the totalitarian state, which in turn creates the favorable climate for the penetration and eventual domination of the Communist Party."

"To keep up the fight against every form of dictatorship is the best way to prepare ourselves in time against the future dangers of Communist penetration."

## The Upholsterers Are 60

(Continued from Page 21)

has a just claim to recognition. For many years our organization has recognized that a modern trade union can fulfill its responsibilities only by recognizing the need to expand the framework of our dynamic and democratic society. It is for this reason that, although we are comparatively small in numbers, the U.I.U. has formally accepted, and demanded, responsibilities in the broader social and economic fields concerned with national and international progress.

In this respect we were among the first unions to recognize officially the dagger which communism and other totalitarian ideologies pointed at the very heart of American trade unionism and American democracy.

At our 1937 convention a resolution was adopted which barred all supporters of totalitarian political systems from holding office within our organization. For years our union fought relentlessly our Communist-dominated rival organization in the C.I.O. and its attempts to dupe American furniture workers and bring them under the hammer of Communist control.

We are proud to report that the efforts of this evil influence have been repelled completely.

In national affairs the U.I.U. officially recognizes that the ballot box today stands in parallel importance with the picket line. We believe we were the first A. F. of L. union to set up a full-time political education department during the critical year of 1947. Since that time we have cooperated to the maximum of our ability and resources with Labor's League for Political Education and other progressive political forces and figures fighting to realize the liberal tradition exemplified by Franklin D. Roosevelt.

In the field of international relations, years of concern with the affairs of free labor around the world were climaxed when the U.I.U. convention of 1948 authorized our affiliation with the International Federation of Building and Wood Workers, with which our brother unions in Great Britain and the Scandinavian countries were already associated. It is with pleasure we recall that the A. F. of L. convention in 1948 approved the U.I.U.



course of action and urged all international unions to affiliate with their respective international trade secretariats to strengthen the forces of free labor and combat the dread menace of Communist imperialism.

We are proud of this record of accomplishment, but we are not complacent. We recognize fully that today the duties and obligations of responsible unions can never cease. American unions have become major protagonists in the fight for a better America and a peaceful world. This means increasingly that we must attempt to broaden our horizon to encompass the dual obligations of responsibility to our members and to our country.

A most difficult task has been imposed upon the American labor movement. Sometimes it may appear that we must attempt to rise above considerations of our own immediate interest to those which concern the entire community. In reality, of course, the goals of democratic unionism are identical with the goals of social and economic freedom and democracy.

With humility and confidence, the Upholsterers International Union is prepared to contribute its maximum resources to this ideal of a better America and a peaceful world. Under the enlightened banner of the American Federation of Labor, and with the joint strength of our brother unions, we know that we shall succeed.

## It's a Marathon

*(Continued from Page 15)*

cerning other parts of the anti-inflation program, this endorsement of productivity increases indicates that the wage control program is not the weak link in the chain. Certainly the position of the Council of Economic Advisers on wage stabilization indicates that any further references to the necessity of "holding the line" will require tightening of controls in areas other than wages.

A careful reading of this latest annual review indicates that the Council has properly assessed the current status of the national defense program. What is more, the Council has placed in proper perspective the obligation of keeping democracy strong not only in terms of military arms but also in terms of our health, strength and belief in the principles by which we live.

## HEALTHY HEARTS NEEDED TO KEEP AMERICA STRONG

# 1952 HEART DRIVE GIVE GENEROUSLY

In reaching such conclusions the Council has pointed out the greatest weapon in the arsenal of democracy—the belief which exists in the minds and hearts of Americans that their way of life is worth the greatest sacrifice a man can make.

## The Professors

*(Continued from Page 11)*

If this is true, why is it that unions ever have to call strikes?

Habeler is really attacking collective bargaining—without any real idea of how collective bargaining works. The truth is that the push and tussle of bargaining across the table produces a settlement that very closely fits economic realities.

Habeler takes the view that the only villain in the wage-price spiral is the union. This is certainly a very distorted view of economic developments during the postwar period.

Professor Wright, University of Virginia, has a different worry. He thinks the unions put too much emphasis on security. In his words:

"By their seniority and security schemes, many unions are destroying opportunity and growth alike."

Unfortunately, in his discussion of this issue Professor Wright shows very little insight into actual operation of seniority clauses or union attitudes toward technological change. He also neglects to discuss the extent to which the security issue would arise in the absence of union organization.

If he had done this, he might have realized that unions do not force individuals to become security-conscious. Rather, security-conscious individuals are union members because employers were not interested in providing the necessary security. Wright might also have discovered that, in many practical ways, union organization means more, not less, "opportunity and growth."

Yes, the professors are worried, but as the little verse says, they "cannot be positive" about many of their conclusions. Perhaps instead of so much worrying, some practical experience with collective bargaining and union organizations would be more fruitful.

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## AFL NEWS-REPORTER

The new weekly newspaper of the American Federation of Labor is making a hit with readers from coast to coast. You need this newspaper. For only \$1.25 the paper will come to you for an entire year. Mail your check to AFL NEWS-REPORTER, American Federation of Labor Building, Washington 1, D. C. Don't put it off. Act now!

# WHAT THEY SAY

**William Green**—American workers are free. They are conscious of their



rights and privileges. They are not servile-minded. They honor and perform their jobs with appreciation of the fact that all functions are necessary and serve the nation's economy. The driving force actuating American labor is desire for freedom in living. The trade union movement has been most effective in urging and aiding workers to demand and use their rights—in such ways as respect the equal rights of others. Organized labor has been highly successful in securing for union members—and indirectly for all workers—higher rates of wages and shorter hours of work. Even more important has been labor's achievement in developing a stalwart and responsible movement. American workers, believing that individual liberty is indispensable, are rooted firmly in American principles. In the kind of labor movement that American workers have built, our free and democratic nation has an institution of priceless value.

**George Meany**—I have recently seen at first hand the great difficulties



under which the free people of Western Europe are laboring. The American trade union movement joins the American government in pledging to them every assistance possible to raise living standards and to keep the peace. American workers believe in peace—with all our hearts. The very idea of another war is abhorrent to us. The basic purpose of our participation in the United Nations is to settle differences by peaceful means and to prevent war. Our conception of a peaceful world is a community of good neighbors, motivated by goodwill

toward each other, and anxious to live together and work together in harmony and friendship. Unfortunately, there are forces in the world today which do not subscribe to this good neighbor concept. Soviet Russia and her satellites are members of the United Nations in name only. They have vetoed every attempt to put into practical effect the ideal of peace on earth and goodwill toward man. They stand convicted of aggression and war against their fellow men, and we have no evidence of any sincere desire on their part to reform. Nevertheless, if the free world recognizes the evil of communism for what it is and stands together in a firm and united front against Soviet aggression, I am confident that we can overcome the Communist threat to world peace and at the same time raise the standard of life for free peoples everywhere.

**Daniel J. Tobin**, *president, International Brotherhood of Teamsters*—



The International Brotherhood of Teamsters is the largest single labor organization in America, as far as I know. We are not all-powerful, nor are we supermen. The course that we must pursue, as we have in the past, is the course of justice and fair dealing. If we do that, we will continue to grow and to prosper and to hold the goodwill of all the people, including our employers. The Brotherhood of Teamsters was not built up or made what it is by wishing or waiting. It was built up by fighting for every inch of ground every mile of the road. I think the Teamsters' Union has helped considerably to keep the American Federation of Labor strong. We pay the largest amount of money each year into it. This is as it should be. We want nothing except the knowledge that we may, and I hope we are, doing something to keep labor strong and clean. Of course, we have our complaints, our

grievances. Sometimes I, too, get disgusted at some of the running around and begging expressions, but it cannot be helped. Thirty-five years ago organized labor, with one-third of the members it has at present, was respected and influential in Washington and elsewhere. Today it's at its lowest ebb in years. Why? I think I know, but I "ain't talking"—now. There must be an answer. There is an answer. It will, it must come in time. They say patience is a virtue. Maybe so. There is also a limit to human endurance. I say to labor's political enemies—beware.

**W. L. Hutcheson**, *A. F. of L. vice-president*—Organized labor has



always regarded war as the greatest enemy of mankind. Certainly the American people—particularly the working people, who do most of the dying, most of the suffering and none of the profiteering during national conflicts—do not want war. I am sure that all of us in the labor movement sincerely hope and pray that another war can be avoided. But in all human affairs there inevitably comes a point beyond which compromise with evil becomes impossible. It is clear to me that the nation is only today learning what we in organized labor learned long ago; namely, that you cannot do business with Communists. Hiding behind fine phrases and rosy promises, Communist termites lied and cheated and double-crossed their way into power in some spots in the labor movement. Posing as liberals and militant union men, they fooled all too many sincere union people. However, the officers of the American Federation of Labor were not fooled. They began fighting back many years ago. The full danger of Communist treachery is at last becoming apparent to all with eyes to see and ears to hear. Although the Korean situation cannot be viewed as anything but tragedy, at least it has done one thing. It has given us an opportunity to make ready for whatever further moves Russia and her satellites may make. Whatever course they pursue from now on should not find us unprepared.

# Everybody's Welcome!

THE Junior Union Program Committee had appointed Bob Seneru to be chairman for the month of February. He had chosen four other members to work with him, and this committee of five had the responsibility of planning and carrying through the month's activities.

Each month a new chairman was appointed, and in the course of a year every member had the opportunity to serve and take an active part. There never was any complaint that "the same bunch runs everything," as is sometimes heard in school organizations of young people. The Junior Union at Public High was such an all-around group that every member felt a keen personal interest in all that was done or planned.

The faculty adviser, Mr. Miller, remarked one time that he had never worked with such an enthusiastic bunch in all his experience with young people's work. To his way of thinking, he had added, the Junior Union was the finest and most wideawake organization in the school.

Bob and his committee were meeting to discuss the final plans for the month. Linda O'Brien, Vance Rinaldi, Ruth Cohen and Roscoe Jones were his associates. With Mr. Miller sitting in, the committee was getting along splendidly.

The study program was in charge of Linda, who was to give the principal talk on trade unionism at the regular monthly business meeting. Roscoe was to handle the opening and preside during the meeting. The social hour was turned over to Ruth and Vance. Everything met with Mr. Miller's hearty approval.

The monthly "big affair" was to be a Valentine Party. The year before the Junior Union at Public High had given a Colonial party. Everyone had dressed as in Washington's time. It had been a most successful party. The present committee hoped the Valentine Party would be as big a success. Bob had chosen the members of the



committee with this goal in mind. He felt they were the ones with the needed abilities to put over a party that would be remembered a long time.

Two weeks before the day dedicated to the patron saint of sweethearts the committee was meeting in Mr. Miller's office after school.

"We're going to have a wonderful party, I think," Linda said. "Everyone's looking forward to it. Now I have an idea I'd like to present—if no one has any objection."

"Go ahead, Linda, out with it," said Bob. "We're open to suggestions."

"Well, maybe you won't think so much of it," Linda remarked.

"Come on, Linda," urged Ruth. "Please speak up!"

"Since everyone is talking about the Valentine Party," said Linda at last, "I was thinking: Why can't we sell tickets to it and invite the whole school?"

"You mean make it open to the whole student body?" asked Bob.

"Yes. I believe that if we let everyone come and see what a good bunch we have and what a wonderful time they can have with us, it will give our Junior Union a lot of good publicity and make lots more friends for us. We can keep the price of the tickets down, just make enough to cover expenses."

"And what's left over, if any," put in Roscoe, "we can put in our treasury and let the Junior Union decide what to do with it at our next business meeting."

"Mr. Miller," said Bob, "do you think we could do it? We haven't asked for the gym for anything all

year. If the principal will let us have the gym, we could do it."

"What do the others think of Linda's proposition?" asked Mr. Miller.

All agreed that it would be a fine chance to include the entire student body in the gala occasion.

"All right," said Mr. Miller. "I'll go down the hall and talk to Mr. Green right now."

In a few minutes he was back, accompanied by the principal. After further discussion with the committee, Mr. Green granted the use of the gymnasium for the evening of February 14 for the Valentine Party sponsored by the Junior Union of Public High.


Soon afterward posters appeared in the halls and there was a peppy article in the high school paper. Even the daily papers carried items. The sale of tickets was fast.

"I never knew so many people would be wanting to come," Linda said as she handed over the last of the block of tickets she had undertaken to sell.

The day of the party the gymnasium was decorated with red and white streamers and huge red hearts. The names of famous lovers of history were inscribed on some. All in all, with cupids, darts, hearts and flowers, the gym looked like a really romantic place.

"We have had so many serious things to think of these days," spoke up Ruth, "what with exams just being over and all, and so many weighty subjects, it's a relief to have just a regular partyish party!" She made this statement as she and Roscoe arrived.

They were joined by Linda and Bob and, in a few moments, by Vance. The committee took a last-minute look-see. The orchestra had arrived and everything seemed all set. At 8 o'clock sharp the doors of the gym were swung open to welcome the first arrivals and the fun began.



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